



OFFICIAL REPORT
AITHISG OIFIGEIL

Education, Children and Young People Committee

Thursday 26 June 2025

Session 6



The Scottish Parliament
Pàrlamaid na h-Alba

Thursday 26 June 2025

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EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE
23rd Meeting 2025, Session 6

CONVENER

*Douglas Ross (Highlands and Islands) (Con)

DEPUTY CONVENER

*Jackie Dunbar (Aberdeen Donside) (SNP)

COMMITTEE MEMBERS

George Adam (Paisley) (SNP)

*Miles Briggs (Lothian) (Con)

*Pam Duncan-Glancy (Glasgow) (Lab)

*Joe FitzPatrick (Dundee City West) (SNP)

*Ross Greer (West Scotland) (Green)

*Bill Kidd (Glasgow Anniesland) (SNP)

*John Mason (Glasgow Shettleston) (Ind)

*Willie Rennie (North East Fife) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Maggie Chapman (North East Scotland) (Green)

Professor Iain Gillespie

Michael Marra (North East Scotland) (Lab)

CLERK TO THE COMMITTEE

Pauline McIntyre

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Education, Children and Young People Committee

Thursday 26 June 2025

[The Convener opened the meeting at 08:30]

University of Dundee

The Convener (Douglas Ross): Good morning and welcome to the 23rd meeting in 2025 of the Education, Children and Young People Committee. We have apologies from George Adam.

The first item on our agenda is an evidence session on the financial situation at the University of Dundee. I welcome Professor Iain Gillespie, former principal of the University of Dundee. Professor Gillespie, we will get straight into questions, if that is okay.

The Gillies report was damning, and it was particularly scathing about you as an individual: your leadership, your management, and your entire time at the University of Dundee.

What do you say in response to that report, and what do you say to the staff who have lost their jobs, the staff whose jobs are under threat and the students whose studies have been disrupted because of the way that you managed the university for so many years?

Professor Iain Gillespie: Let me start off with an apology to the staff and students. I think that the staff and students deserve better than they have had with the management and the governance of the University of Dundee over quite some time, but particularly over the period of 2024. That is a heartfelt apology to a university that I love and a city that I hugely respect.

The second thing to say is that the Gillies report is, clearly, a forensic piece of work that shows some of the challenges and difficulties—some long term and some short term—at the University of Dundee. I appreciate that we will go into that in a great deal of detail over the next three hours.

As far how the report presented me and my management style, that is not something that I recognise. As a leader and manager of the university, I was always—and will continue to be, as far as I am able—a champion of the University of Dundee and the people in it and what it tries to achieve. I do not recognise some of the characterisation of my management style, but, again, I am sure that we will get into that in detail.

The Convener: Are you contesting the findings of the Pamela Gillies report?

Professor Gillespie: There are the findings of the Gillies report, which are very specific and forensic around some of the issues in relation to the financial management of the organisation. As I said, I am sure that—and I hope that—we will get into that in a great deal of detail in this conversation.

However, in terms of how the report represents me and my management style, that is not something that I recognise. That is a different level of comment from saying that I am contesting the forensic analysis; the forensic analysis is what it is.

The Convener: How could the same person who got her forensic analysis of the financial situation correct get her forensic analysis of your leadership style—in your view—wrong?

Pamela Gillies said that you

“tended to control the narrative to Court and elsewhere, consistently painting a picture that all was well in the University”,

that you

“frequently demonstrated hubris ... dangerous over self-confidence and complacency, often in combination with arrogance”,

and that you had an

“overbearing leadership style, behaviours and dislike of potentially awkward confrontations and questioning.”

It was not just one remark; she rips apart your character.

Professor Gillespie: She does, and I do not recognise it.

The Convener: How could she get that so wrong? And she is not the only one. Did you watch our evidence session yesterday?

Professor Gillespie: I did not. I was travelling to come here.

The Convener: You were travelling yesterday. You travel a lot. We will come on to that in a bit.

The evidence that we heard in the session yesterday was not supportive of your leadership style. Were all those witnesses wrong yesterday as well?

Professor Gillespie: I do not know what the witnesses said yesterday; I did not see it.

The Convener: I am saying that they criticised your leadership style.

Professor Gillespie: I am sorry to hear that.

The Convener: Why are you the only person that thinks that you were a good leader, whereas Pamela Gillies makes it very clear in her report

that your style of leadership was part of the problem here?

Professor Gillespie: I think that the problems at the University of Dundee were based on some long-term financial challenges. There were certainly cultural challenges at Dundee. When I joined Dundee, four years before I left, it had gone through some very difficult times with its previous leadership, and also with its finances.

One of the things that had happened at Dundee was that it had lost its confidence and direction. What I—plus others in the senior team, in the executive and the leadership team and beyond—tried to do was build a sense of direction, strategy and confidence at the university. That required some robust conversations and some difficult decisions. I led many of those conversations—not all of them, because running a university is a team game. I led a number of those conversations, some of which were not always popular with everyone.

The Convener: One of Pamela Gillies's analyses of your behaviour and leadership characteristics is that you consistently painted

"a picture that all was well in the University".

Do you disagree with that?

Professor Gillespie: What I presented at the university was based on the information that I had available to me.

The Convener: On that, on 28 February last year, you told the whole university that it was

"moving into a surplus after a decade of financial deficits".

That was a lie, was it not?

Professor Gillespie: It was perhaps incorrect, but it was not a lie.

The Convener: You say that it was incorrect, but you said it in full knowledge, as the Gillies report tells us, that

"the Principal was aware that there was an £8m 'hole' in the FY24 budget."

It was a lie.

Professor Gillespie: No. We were looking for a betterment, and betterment was through not doing some of the things that would otherwise have been done.

There was no lying. There was no mendacity. It may have been incorrect. I accept that it was incorrect. I accept that I did not have a full picture.

The Convener: You did.

Professor Gillespie: I did not.

The Convener: The report says that, at the time,

"the Principal was aware that there was an £8m 'hole' in the FY24 budget."

However, at the same time, you were telling the entire university that it was

"moving into a surplus after a decade of financial deficits".

You may say that that is incorrect. However, if you said that—which was clearly incorrect—in the knowledge that there was an £8 million deficit, I believe that you lied to the university and that you were painting a rosy picture that all was well in the university, which is one of the characteristics that you have been criticised for in the Gillies report.

Professor Gillespie: I think that what I was always trying to do with the university was present what I understood to be the reality and the truth.

Clearly, I did not understand that there was the gap that there was, but there was no lying or mendacity in that. Was there error? Yes. I accept that there was error. I accept that the financial information that the executive group was working with and that it understood, and the financial information that the court understood, was not correct and did not underpin the underlying financial challenges. However, it was not a lie. Was it wrong? Yes.

The Convener: I cannot believe that you are saying that. I wholly disagree with you.

Do you accept ultimate responsibility, as principal and vice-chancellor, for what is in the report? You have said that you do not contest the financial element of the investigation and report in any way. That element is damning, and completely eviscerates you and your senior colleagues in the university. Do you accept the ultimate responsibility, because you were in charge over that period?

Professor Gillespie: I have already accepted the ultimate responsibility.

The Convener: No—

Professor Gillespie: I have.

The Convener: To be very clear, you spoke about that as a group, as a team and as an organisation, but the buck stops with you. Do you accept that you are ultimately responsible?

Professor Gillespie: I accept that the buck stops with me, which is why, at the end of last year, I left.

The Convener: How did you leave—how did you let the university know that you were leaving?

Professor Gillespie: The university was advised by the chair of court, which is what the chair of court preferred.

The Convener: How did you advise the chair of court?

Professor Gillespie: The chair of court and I had a conversation over a weekend, and the chair of court informed me that she and a number of her colleagues had no confidence in my future leadership, and we discussed that I would resign.

The Convener: How did you formally submit your resignation?

Professor Gillespie: I had a conversation with her, and then I sent her an email confirming it.

The Convener: *The Courier* newspaper is reporting this morning that you sent a text message. Did you send a text message to resign?

Professor Gillespie: I am fairly sure that I sent an email.

The Convener: *The Courier* is fairly sure that you sent a text message, which is why it ran the story this morning.

Professor Gillespie: I think that *The Courier* might not be correct on that, but it is possible that I did—I do not recall.

Let me be clear: I had a conversation with the chair and the deputy chair of court, and we agreed that I would resign. I was asked, rightly, to send a message to notify formally that I would indeed resign, and I did that. I think that I sent an email, but, with my hand on my heart, I cannot say whether it was an email or a text message. It could have been a text message, but I do not think that it was. I think that it was an email.

The Convener: I think that I would remember how I ended my career at a university, and I would hope that it would be done in a proper way.

Do you know what I thought when I read that story this morning? Regardless of whether it was an email or a text message, when I read that story, the only thing that I thought about you was that you were a coward. You could not go back to the university to face the staff who were losing their jobs or face the students whose studies were so badly disrupted. You just created this mess and walked away into the sunset. Is that right?

Professor Gillespie: That is a pretty damning interpretation of what happened.

The Convener: It is how I feel from reading that story and seeing everything about you.

Professor Gillespie: Okay, but whether I am a coward is for other people to comment on, not for me. I do not think that I am a coward. I resigned in the way that the chair and the deputy chair of court preferred that I did.

The Convener: What pay-off did you get for walking away from the mess that you created?

Professor Gillespie: It is a matter of public record that my contract stipulated that I would be

given six months' basic salary on resignation. That is what the university, in the fullness of time, paid me.

The Convener: Do you think that you deserve it?

Professor Gillespie: That was the contractual obligation.

The Convener: My question is: do you deserve it?

Professor Gillespie: That is a very loaded question.

The Convener: It is a very simple and straightforward question. Let us be clear: you got more than £150,000 to walk away from a university that you almost destroyed. Did you deserve £150,000 for doing that?

Professor Gillespie: I take overall management responsibility for what happened at the University of Dundee, because I was the principal, but I push back against the claim that I almost destroyed it. The university found itself in an invidious financial situation, and I hope that we will get into some of the detail of that. My departure was agreed with the chair and the deputy chair of court. I could have stayed and worked with colleagues to try to recover the situation, but the chair and the deputy chair of court preferred that I departed. Their message to me, in departing, was, "When you depart, we will honour the contract, but we would like you to depart immediately." That is what I did.

The Convener: Were you disappointed? Did you genuinely believe that, if the chair of court and others had not asked you to resign, you could have turned the situation around? Were you the right man to solve the problems that you had created?

Professor Gillespie: They obviously thought that I was not.

The Convener: Did you think that you were?

Professor Gillespie: I was prepared to have the conversation if they wanted to have it and thought that that was appropriate, but they did not.

The Convener: You have not said one way or the other whether you think you deserved the £150,000-plus pay-off. Given everything that has gone on, everything that you have, I hope, read—even though you did not watch our evidence yesterday—and everything that you have heard from your former colleagues and from students who trusted you to lead their university, have you, at any point, considered paying that money back?

Professor Gillespie: That was the contractual obligation on the university—my employer—for me to move.

The Convener: At any point, did you consider that, having created this mess, you did not deserve that money so would pay it back?

Professor Gillespie: At many points, I have regretted many of the decisions that were taken during my tenure at the University of Dundee.

The Convener: But you do not regret them enough to pay back £150,000.

Professor Gillespie: Well, £150,000 was the cost to the university; it was not what I gained. No, I am not going to pay back the money. It was not in my thought process to repay a contractual obligation to me for my work at the university.

The Convener: I will go into some of the specific details before I move on to questions from other members. We discussed the covenant breach at length yesterday. What was your awareness of the breach of the covenant and of your responsibilities as principal, vice-chancellor and, according to the Scottish Funding Council's guidance, accountable officer?

08:45

Professor Gillespie: My knowledge of that was very poor and very weak. The first time that I was aware of there being a challenge to our covenants in 2023 was when I read about it in the Gillies report. It had never been reported—

The Convener: Sorry—say that again, because I cannot believe what you have just said.

Professor Gillespie: The first time that I was aware of a deviation in relation to a requirement to shift on our covenant—that we had not met one of our covenants in 2023—was when I read about it in the Gillies report.

The Convener: How can that be the case when you were the accountable officer? Were people not telling you the truth? Were they withholding information from you? Were you not in the country or at the university enough to hear those concerns?

Professor Gillespie: I was certainly in the country and at the university enough to hear concerns. This was never reported to me and, to my knowledge, it was never reported to the finance committee.

The Convener: Okay. Carry on.

Professor Gillespie: The 2024 breach came up in a conversation that I had with the finance director after he resigned. As I was doing some of the exit conversations, I asked him, "Can you please take me through how our covenant tests look? What are our covenant tests? How do they look? Where are we performing?" That was 45 minutes into a conversation with the finance

director that I was having together with the deputy vice-chancellor. At that point, the finance director mentioned to me that one of the covenant tests would need to be rescheduled and that he was about to talk to the banks about it. I was, to say the least, surprised by that—

The Convener: Sorry, Professor Gillespie, but your evidence does not match up. You said that this was during an exit interview—

Professor Gillespie: No, it was in one of the discussions that we had as he was leaving, not his exit interview. This was not at the very end of—

The Convener: It was in September or October.

Professor Gillespie: Yes, it was in September or October. In my evidence to the Gillies inquiry, I was clear that I could not remember the exact dates, but it was around then. I told the Gillies inquiry that it was roughly two weeks prior to the finance and policy committee meeting in the autumn. That was the first that I had heard of any challenge—

The Convener: To be clear, that makes it late September or early October.

Professor Gillespie: I do not have—

The Convener: If you had watched the evidence session yesterday, you would know that the finance and policy committee met in early to mid October. Therefore, if the discussion was two weeks prior to that, it must have been held in early October or late September.

Professor Gillespie: Right. That was the first time that I, together with the deputy vice-chancellor, heard from the finance director that there was any issue at all with our covenants. As it happened, within a day or two, I went to London for a Universities UK meeting and met one of our court members who is more of an expert on this than I am. I asked him, "How much should I worry about this?" I was told that, if it was simply a rescheduling or an accounting issue, it was probably not much of a concern. The matter was taken to the finance and policy committee in a report from the finance director, which reported on it at the time. I asked the finance director to make sure that the necessary reporting was done, including to the Scottish Funding Council. I did not chase up—

The Convener: Did you know at that point that you were the one who had to report it?

Professor Gillespie: I was not specifically aware that I was the one who had to report it, but I was aware that it needed to be reported.

The Convener: You were the accountable officer.

Professor Gillespie: I was the accountable officer. I assumed—wrongly—that that work would be done by the finance department, which was the normal practice, and would then be passed on my behalf to the Scottish Funding Council. I did not chase that up, and that was a mistake.

The Convener: When did you tell the court? As we have heard, you texted and phoned the chair of the court. If you found out about the issue in late September, you must have picked up the phone straight away and said, “We’ve got a problem here.”

Professor Gillespie: I was assured that it was simply an accounting issue—

The Convener: No, you were not assured straight away. You travelled to London before you were assured by someone—

Professor Gillespie: No, I was assured by the finance director.

The Convener: Hold on, Professor Gillespie. First of all, if you had watched yesterday’s evidence session, you would have been very clear that the finance director was totally out of his depth in this area. He did not feel that he had the required expertise to deal with the covenant. From listening to him yesterday, I accepted that he would not be passing on advice on the issue, because he was seeking advice himself. I am not sure how you can put all that on him.

You were the accountable officer. You were in charge. You were the principal. By the sound of things, you were not that worried about the situation. You travelled down to London and had an ad hoc conversation about it. There had been a major breach of the finances in your university. You held a very senior position at that time, not just in your university but for universities across Scotland. Are you telling us that you did not inform your own court—which is in charge of governance—about the issue?

Professor Gillespie: I informed the finance and policy committee.

The Convener: But not the court.

Professor Gillespie: I informed the finance and policy committee, on which sit the chair of court, the chair of the finance committee and the deputy chair.

The Convener: You found out about the situation in late September or early October. Why did it take until mid-November to contact the Funding Council to alert it?

Professor Gillespie: I do not have an answer to that question. I do not know. That should have been done at the time.

The Convener: It should have been done by you.

Professor Gillespie: Of course, my name should be on the—

The Convener: No—you should have done it. It is not a case of someone typing up something on a bit of paper and asking you to sign it. That is your role and your responsibility, which you had been entrusted with by the Scottish Funding Council, which gives millions of pounds to your university and others. It stipulates that the principal is the accountable officer to ensure that that gets done. It did not get done, so it is your fault.

Professor Gillespie: I have ultimate responsibility for everything—we have already established that, and I accept that. As the principal, the chief academic officer, the chief executive officer and the chief accounting officer, I accept that that role has ultimate responsibility. You will also understand that, in a complex organisation such as a university, the elements associated with dealing with such things are delegated. That task was delegated to my finance director, who I assumed—wrongly—would do it. That is the nature of delegation in a complex organisation such as a university.

The Convener: No—not in this case. In fact, it works the other way. For something so serious, the delegation is disregarded, because it puts you, as the accountable officer, in the position of ensuring that it happens. It works in reverse: it goes to the very top to avoid the other people and to avoid any concern that duplication could lead to something being missed—and you did not do it.

I cannot understand how someone who has worked in the United Kingdom Government civil service and in universities, who held the most senior position in his university and who was a representative, at the time, of all universities in Scotland could get it so badly wrong. You cannot explain to the committee why you failed so badly.

Professor Gillespie: I have explained why—

The Convener: You have blamed other people.

Professor Gillespie: No—I have explained that the task was delegated. You have said to me that it was inappropriate to have such delegation and that my role was to do the opposite of delegate: to take responsibility and to ensure that the matter was reported. I failed to do that. It is not that I am not explaining it; I am explaining it to you. I accept the error and I accept that the ultimate responsibility lies with the principal of the university. I am not ducking the issue or blaming; I am explaining to you the nature of delegation that I had expected to work in the institution of which I was leader. In the way that you present it to me now, that was a mistake.

The Convener: From this side of the table, you are ducking responsibility and blaming other people.

We have a lot to get through, so I will bring in Joe FitzPatrick.

Joe FitzPatrick (Dundee City West) (SNP): Thanks very much for coming along today, Professor Gillespie. It is appreciated. It is important that we understand what has happened.

Like the witnesses at yesterday's meeting, you have apologised, and you have told us that that is heartfelt. I am not sure that that cuts it for the staff and students who will be watching, but it is definitely better that you did that than not.

However, folk are still hugely concerned about their jobs and their studies. There is real concern about how the university manages to move on. That is why it is important that we get as many answers as possible from this meeting.

The convener asked about the covenant, but that was a specific thing. Putting aside that and the irregularities in the evidence that we have had on it, when were you aware of how bad the financial situation was at the University of Dundee? When was there first a red flag that something was not right, never mind the technicalities?

Professor Gillespie: I repeat my apology. It is heartfelt. You know the extent to which all of us in Dundee rely on our university to help to drive the future of the city and how engaged the university was and remains in that. To all my ex-colleagues and students, I say again that they have my deepest apologies for the failures in the management and governance of our university. I feel that very deeply indeed. I know that I am repeating myself, but it is important to say that as sincerely as I can to all who are watching the meeting—I do not know where the camera is—and to those who will watch it in future.

On the finance side, there were levels of challenge. If you will permit me, convener, I will spend a bit of time going through some of them.

As I said, the university had had long-term financial challenges for quite some time. As it came out of Covid times, international student numbers were booming and we took a profitable exit from a life sciences company that spun out from the university—I am sure that we will come back to cover that. The university was in a stronger financial situation than it had been in in the past. It was not a strong one but a stronger one. I, the executive group, the court and all its committees—the court and its finance committee were under different leadership at the time—believed that it was the opportunity to invest in growing the university.

Real financial challenges started to come in academic year 2023-24, when international student numbers started to decline very rapidly. That was a challenge across all universities in Scotland and the rest of the UK. For us, that decline happened perhaps more precipitately than it did for some others. That is partly because of the markets that the University of Dundee had depended on, particularly the Nigerian and south Asian—particularly Indian and Sri Lankan—markets.

We closely followed that decline in international student income in the University of Dundee and across Scottish universities. The university created a series of scenarios for the downside of that situation with international student income. The SFC was collecting data on that and advised us to do that. As we went into the end of academic year 2023-24, it was obvious that our numbers had declined much more significantly than was set out even in our downside scenario. That meant that we were looking at having to deliver significant savings in academic year 2024-25. Again, other Scottish universities were in a similar situation. All that led us to plan for a deficit budget for 2024-25 and 2025-26. That is all detailed in the Gillies report, as I know the committee will appreciate.

09:00

A number of shocks then hit us as we moved into the beginning of the academic year 2024-25. One related to reinforced autoclaved aerated concrete—Dundee was hit harder than some other institutions in that regard. A second one, which was not huge in the grand scheme of things but was still a shock, was the shift in national insurance contributions. The third one was that we missed our Scottish domestic student intake target, which was very disappointing. Fourthly, our international student numbers came down.

As we went through October into November, the size of the hole became increasingly obvious. I briefed the chair of court on that, and we briefed the finance committee. We looked at coming up with a plan to turn the situation around.

The zenith of that was at the court meeting at some point in November, I think—forgive me, but I do not recall the date—which was immediately after an interim finance director had started. When the interim finance director came on board, in my first conversation with her, I said, “I don't think things are as healthy as we have been led to believe.” She said, “I was about to say the same thing to you.” Over the course of that weekend, she found some very significant structural holes of which I had hitherto been unaware.

Should I have been aware of that? Absolutely, but I had not been aware of it. At that point, I

briefed the chair of court and the chair of the audit and risk committee—the chair of the finance committee was unwell. Subsequently, on that same day, I briefed the court.

I could go into more detail, but that is the broad narrative.

Joe FitzPatrick: That is really helpful. I think that folk who are watching this session will find it incredible that you, surrounded by a team of people who are all paid significantly more than the First Minister of Scotland—you are paid multiples of that, I think—were not aware of the structural problems until somebody came in the door and, all of a sudden, everything was clear. That is incredible.

I want to go back to the international student element of what happened, because that is significant. It feels that, apart from the mismanagement across the board, something appears to be different in Dundee. There are pressures across the higher education sector in the United Kingdom, but something different happened in Dundee.

Why was it that Dundee university was so invested in those very risky markets? Why were the signals in 2023-24 not taken more seriously so that action could be taken at that point? What advice were you getting? Who was responsible for taking those decisions? I am just throwing things in so that you can be more complete in your answer. Why was there a continued increase in the number of staff in that area? It looked like numbers coming down, but nonetheless, you were still recruiting folk to the team.

Professor Gillespie: If I can reply as briefly as I can—

The Convener: Professor Gillespie, I allowed you to give a very long answer to Mr FitzPatrick, but we need to be a bit more concise in both questions and answers. I do not want to stop you saying anything, but we have to get to the point, if we can, as we have a lot to get through. Thank you.

Professor Gillespie: Forgive me, convener, but I hope that giving some context now will avoid my having to give more context later, so perhaps you will permit me to say a little bit about international student numbers, if I may.

Dundee university was very reliant on Nigerian, Indian and Chinese students. Nigerian and Indian students were by far the largest numbers. Chinese student numbers were low in comparison with overall international student numbers, and in comparison with the numbers in other research-intensive universities. Most of the students were coming to the school of business, as there was a

real effort to boost the school, and to engineering and computing.

The very big drop was initially because of the removal of dependent visas for students. That really impacted on Nigerian numbers, as did the devaluation of the Nigerian currency. Very briefly, the African model has been that students would borrow money from their families and come here with their families, their spouse would work and that would help pay for the student's groceries. The removal of that visa had a very big impact on a number of Scottish universities. Robert Gordon University had a lot of Nigerian students, we had a lot of Nigerian students and a number of other universities did, too. That change mainly impacted on the school of business. A lot of the betterment numbers in the 2023-24 accounts were due to reducing appointments into the school of business. That did happen, eventually.

The Indian students were coming into science and engineering. We were trying to boost science and engineering numbers anyway, and there was a new dean in place. We had underperformed on Chinese students in that school. Chinese students were an opportunity, as opposed to a drop-off or a cost.

Forgive me, Mr Fitzpatrick, but I feel that I have wandered away from your question. I did not intentionally do so.

Joe FitzPatrick: I am trying to understand why action was not taken back in 2023-24. All the signs were there. I do not think that I have heard why Dundee was more invested in those riskier markets than other institutions. What was the decision-making process behind that, and why was action not taken? We have read in the submission from Wendy Alexander that she warned you that that was a problem and that you ignored her. This is an opportunity for you to respond to her comments.

Professor Gillespie: Given that you have invited me to respond to Wendy's comments, let me begin by doing that. Wendy was very focused on pushing the number of students up. We had overrecruited from high-volume, low-cost markets, and that over-recruitment in 2023 was causing us some significant academic integrity problems.

Problem number one was that students were coming into the university who did not have the standard of academic integrity that we would expect in a Scottish university. That caused some academic delivery challenges. I suspect that Blair Grubb will have mentioned that when he gave evidence to the committee a few months ago.

More problematically, we found that quite a number of students were coming in who were not able to pay their fees. They were looking for the university to support them through hardship but

also to Dundee City Council to support them through housing and education. As the cost of living crisis struck, we had a double whammy of an overrecruitment of students who could not afford to support themselves and an overrecruitment of students who were not meeting the academic integrity challenges that were being faced.

We took a view—and this was discussed at length and very robustly in the executive group—that we would reduce the number of students who were recruited from those markets and that we would put caps on a number of courses. We felt that the quality of delivery was being challenged by the number of students coming in.

Contrary to what Wendy Alexander said in her evidence—that we ignored advice—we took measures to reduce numbers, and we formed a new student number planning group that would take a view on not just the idea of piling numbers very high but making sure that we had the capacity to support students in academic delivery and ensure their welfare. We actually pushed our target numbers down. At the same time, we were looking at the likely recovery from the hit of the removal of dependent visas. There were also discussions about the Migration Advisory Committee when there was uncertainty over what it would advise the UK Government on post-study work visas.

Those measures pushed our numbers down, and our downside scenarios were increased so that we expected to have fewer students. We took advice in doing that, and when I say “we”, I mean the executive group reporting to court. We did that with all members of the executive group and the planners fully involved, and with clear goals on what the downside scenarios would look like, so it is simply not true to say that advice was given and ignored. Absolutely, we reduced our numbers and started to reduce our associated costs.

The Convener: I think that we now have enough context from your very full answers, so if we could just get to the point for the rest of them, please.

Joe FitzPatrick: Wendy Alexander said a few other things in her report. Is there anything else in there that you want to respond to? Right now, the balance of what we are hearing—it is unfortunate that Wendy Alexander is not able to give evidence to the committee because of a commitment—is that her side feels much stronger, to be honest. If there is anything that you feel you need to respond to in what she said, I think that you should do it, because to be fair, I am not sure that the committee is convinced by what we are hearing just now.

Professor Gillespie: I will try to do this as succinctly as I can, convener.

We introduced a globalisation strategy that looked at making globalisation of the university, both inwards and outwards, everyone’s business. Recruitment was a key part of that globalisation strategy, as was partnership with other areas of research and enterprise, when they were available.

Wendy’s evidence suggests that she did not agree with that. The first time that I have seen Wendy say that she did not agree with that is in that evidence. Wendy was the architect—and I was grateful to her for this—of the Africa strategy, which was a strategy to work with African universities on capacity building, student recruitment and research opportunities. She was the architect of the Dundee PhD fellowships, and I was very grateful for that.

Wendy’s notion that she did not agree with the globalisation strategy going forward is a false representation, because she was at the cutting edge of delivering that—that is point 1.

You wanted to come back, Mr Fitzpatrick, so I will stop.

Joe FitzPatrick: There is a final area that I want to come to, but it would be good for you to finish your response, if there is anything else that you want to say.

Professor Gillespie: If I may, the issue of Wendy Alexander being sidelined is simply a misrepresentation. Wendy spent more and more time in thought leadership, as she talked about it, on a number of committees, including Chris Skidmore’s International Higher Education Commission. We supported her a lot in doing that work, but it meant that she was away from the university a great deal, including being away from executive group meetings a great deal.

The commission produced a report on transnational education and creating opportunities for international partnership offshore. We all thought that it was an excellent report, and I commended it highly. Wendy Alexander was a co-author, and we gave her a budget to try to implement that in Dundee but I am afraid that it did not transpire. I was pushing Wendy Alexander and her colleagues to spend more time in the market, working with agents in Nigeria, India and beyond on building up the pipeline of students coming in.

09:15

I found it particularly difficult to hear from Wendy Alexander about the notion that the University of Dundee somehow tried to pay her off. The University of Dundee tried to create an opportunity for her to develop the North American market, by which I mean Canada and the US. Trump had just been elected and there was more and more

interest among North American students in coming to Europe. Dundee had hardly performed in North America, but it was an area that Wendy Alexander knew very well.

She performed very well as a vice-principal international when Dundee had almost no international students. As matters moved forward, her interests started to move elsewhere to thought leadership with the boards that she sat on, when what we needed was a VP international who spent time in the market generating student numbers to come.

On the representation of conversations around Wendy's departure, she had a retention conversation two years ago, as she was applying for a job elsewhere, about how she got a salary increase and she was paid very well, that she would develop succession planning with an assistant VP international, which was done, and she would look at delivering on the university's strategy. I have just commented on some of the challenges in what she is saying on strategy now.

We all have weaknesses, and I am very open about mine, but one of hers was that she got very detailed in the micromanagement of professional service staff, which caused significant amounts of tension. One of the elements was that she should have spent less time doing that and more time doing strategy, and that was not happening.

The Convener: I find it somewhat ironic that someone who went on 11 foreign trips in two years should criticise other people for not being at the university. However, from your answers to Joe FitzPatrick, I do not quite understand why you then asked your company secretary and chief operating officer to negotiate without prejudice a package for Wendy Alexander to leave.

Professor Gillespie: This is a public session and I do not want to get into a slanging match about people's characters. Wendy Alexander's performance in delivering student numbers was not what we needed it to be.

The Convener: Why, then, did you want to send her to North America to tap into that market?

Professor Gillespie: That was because she knows North America well. She spent some time working in Canada. She had good contacts in North America. We were looking for what we described as a glide path for her. She had been talking constantly about moving on as she was in her last two years, so we were looking for a glide path to help her to do that at the same time as creating some opportunities for the university. That was why North America was an idea. I understand that she did not like the idea, but it was an idea. It was put on the table as something that might have worked for her.

The Convener: Other members will delve into that. Pam Duncan-Glancy will ask the next questions.

Pam Duncan-Glancy (Glasgow) (Lab): I find this particular line of questioning quite difficult to listen to and to match with the evidence that we have in front of us. I have seen communication from Wendy Alexander to the university, which, at various points, highlighted concerns about international student numbers and finances, questioned why specific management accounts were not being provided and, at times, raised pressing and difficult issues, such as the figures being massaged down. It sounds like it was convenient for you to ask her to go far away, so that nobody was presenting a challenge to you at the time.

Professor Gillespie: That is certainly not the case. When Wendy Alexander brought forward analyses and challenges, we explored them in the executive group. They were never ignored; they were explored, discussed and acted on.

Pam Duncan-Glancy: Are you suggesting that the evidence that she has given is untrue? She shared emails.

Professor Gillespie: I have not sat and looked through the emails and email responses that Wendy Alexander sent.

The Convener: Professor Gillespie, the evidence was submitted in order to allow us to question witnesses, including you. Are you saying that you did not prepare for this session by looking at the evidence that has been submitted by others?

Professor Gillespie: Of course I prepared for it. I am sorry. I thought that Ms Duncan-Glancy was talking about material other than the evidence. Forgive me—I misunderstood.

Pam Duncan-Glancy: That is okay. I understand. I also understand that it is a very difficult circumstance. If there is any misunderstanding, please just ask for clarity, and I will do the same.

Wendy Alexander is not the only person who suggested that information was not flowing in ways that it should. For example, the court's membership and who attended its meetings changed. Vice principals were asked not to attend. Did you make that decision?

Professor Gillespie: No.

Pam Duncan-Glancy: Who made that decision?

Professor Gillespie: The chair of court.

Pam Duncan-Glancy: Yesterday, the chair of court said that she did not make that decision.

Professor Gillespie: I am sorry, but that is absolutely not true. The chair of court made the decision that vice principals would not attend.

I suggested that, if they would not be at the table, they could at least attend to hear the discussion, but she did not want that to take place. The responses from the VPs were mixed: some said, "That is good, because we do not want to go anyway"; others said, "That is ridiculous. We need to be there."

The chair of court made a very clear decision and instructed me that VPs would not attend unless there was a specific reason, in which case I could invite them to attend, but the chair of court would have to agree.

If the chair of court said that she did not say that, I am afraid that that is an untruth.

Pam Duncan-Glancy: When items on, for example, the globalisation strategy were discussed, the chair of court's suggestion was that the determination about which VPs would be invited was yours—after it had been decided that they would not ordinarily attend—why did you—

Professor Gillespie: The suggestion rather than the decision, sorry. It was her decision.

Pam Duncan-Glancy: Her decision, yes. She made the decision that VPs would not attend.

Professor Gillespie: She did.

Pam Duncan-Glancy: She then relied on you to invite the relevant people.

Professor Gillespie: To suggest the relevant people who should be there.

Pam Duncan-Glancy: Were you ever told that a vice principal who you suggested should be there should not be there?

Professor Gillespie: I do not recall being told that.

Pam Duncan-Glancy: The globalisation strategy was the change in approach. Why was Wendy Alexander not invited back to court after 23 September, given all that you have put on the record about what happened in the university, such as international student numbers and the globalisation strategy being serious concerns? Why would you not want that information?

Professor Gillespie: Wendy Alexander would have been invited if there had been a specific agenda item in her portfolio, in the same way that the others were invited when a specific agenda item was in their portfolio. That was the agreement from the chair of court.

Pam Duncan-Glancy: However, you have also said that a large part of what happened in Dundee was down to the changes in the international

student market. Your suggested change in approach was the globalisation strategy as opposed to more recruitment—

Professor Gillespie: The globalisation strategy was a bit earlier in the year.

Pam Duncan-Glancy: Did you continue to share relevant data on and numbers of international students with the vice principal?

Professor Gillespie: The vice principal was the lead on sharing the numbers. She chaired the internationalisation committee and most of the operational committees. She was heavily involved in all student planning, including numbers and all the data. It was not me—I did not sit on that committee.

Pam Duncan-Glancy: But you did not think to invite her to court at any point. You did not feel that you should bring that expertise into the decisions that the university was making in order to address some of the concerns about the situation that it was in.

Professor Gillespie: The message from the chair of court was that VPs should be invited only if there was a substantive agenda item within the portfolios that they led on. That was something that the chair of court had pushed very hard on; she did not want large numbers of VPs around the table. That applied to all areas—research, education and internationalisation. It was not my choice to do that; I pushed back against it, but the chair of court insisted, and that was the way that things were done.

I reiterate that, if there was a suggestion in the evidence session yesterday that that decision was not taken by the chair of court, then I am sorry, but that is not true.

Pam Duncan-Glancy: I will move on to the decisions that were taken once the information started to become apparent. There has been some disagreement about who had what information when, including from the witnesses on yesterday's panel. You have already said today that some information was not available to you, or you were not aware of it at the time.

My understanding is that, once you became aware of it, the executive group initially advocated a programme of voluntary severance, and that that was rejected and resisted. Can you explain? Do you recall that? What was your reason for resisting voluntary severance at the time?

Professor Gillespie: If I may, I will just play back to you what I have heard and see whether I have understood the question. Is the question that the executive group suggested voluntary severance and I opposed it?

Pam Duncan-Glancy: Resisted it.

Professor Gillespie: That is certainly not true. We clearly needed to reduce our cost base, and that clearly required us to look for staff cost savings. Staff cost savings needed to be achieved by a freeze and a much tighter grip on recruitment and—at least in the first instance—by voluntary severance.

The debate was around whether voluntary severance would be sufficient to get us to the cost saving that we required, or whether—this would have been an absolute last resort—there might be areas of the university that we needed to look at and ask whether they should continue.

My push on voluntary severance was very much about seeing what plan we could come up with on voluntary severance that would provide a sufficient incentive for staff to see it as an attractive proposition but would be within the bounds of affordability, which were becoming much tighter. At no point—no point at all—did I resist voluntary severance. It was quite the opposite: I was pushing for a voluntary severance plan to come forward more quickly.

Pam Duncan-Glancy: I have one final question. Did you take in-year spending decisions without the UEG?

Professor Gillespie: I cannot think of any, but there may have been small things, such as saying, “Let’s not do that”. I do not recall. There is certainly a level of delegation where decisions can be taken or not taken. I cannot think of an instance—forgive me; my recollection is not 100 per cent—where that was done, but if you were to say to me, “What about X?”, of course I would respond.

Willie Rennie (North East Fife) (LD): Did you watch the evidence session with Shane O’Neill, Blair Grubb and the interim chair? I inferred earlier that you had not watched it, but you had.

Professor Gillespie: I am sorry—it was yesterday’s evidence session that I did not watch.

Willie Rennie: No, I am referring to the evidence session with Shane O’Neill, Blair Grubb and Tricia Bey. Did you watch that one?

Professor Gillespie: Yes, I did.

09:30

Willie Rennie: You say that your apology is heartfelt, but you are not coming across that way and I have to say that I do not feel that. That is a matter of real regret, because I am grateful that you have come here today to be open and transparent, but let me give you some evidence for my comment. You have not watched yesterday’s evidence session and you are not prepared to pay the £150,000 pay-off back to the university. It just

does not seem as though you really feel the pain that other people are going through at this time. Do you understand how angry people are about that and why they feel that you are just not showing that understanding?

Professor Gillespie: I definitely understand how painful this is and I definitely understand that people are angry, and I am trying to show that I understand that. People do not want to hear that I feel pain. I do, but people do not want to hear that.

Willie Rennie: Just pay the £150,000 back. That would be a start, would it not? To hold on to that just seems astonishing, given the pain that other people are feeling. I know that it is not on the scale of the £35 million deficit, but it would at least be an indication that you understand.

I will not press that any more, but I genuinely want you to think about that, because I think that, although it would not repair the damage, it would send an important message.

A year ago, in this very building, you gave evidence to this committee. At the time, you told me:

“I am delighted to say that our universities in Scotland are actually quite well run”,

and you went on to say:

“I do not at the moment see any risk to survival.”

Then you said:

“We are well-run institutions. Time will be my witness in this, but I personally see no risk to the viability of universities going forward.”—[*Official Report, Education, Children and Young People Committee*, 12 June 2024; c 5-6.]

At the same time, you knew that the cash reserves at the university were in steep decline; that the university had a potential breach of the banking covenant—although you said this morning that you were not aware of that; that the *Times Higher Education* world university rankings had Dundee dropping out of the top 250; and that there was an £8 million hole in that year’s budget, with no plans in place to deliver the savings that were necessary to move into a surplus position. So, a year ago, were you delusional or incompetent, or was there something else? I cannot understand why you would have said what you said to me, knowing all those things.

Professor Gillespie: A year ago, what I said to the committee was—and you can decide whether this was incompetence or what level of incompetence this was—

Willie Rennie: Or whether you were delusional. That is what I asked. Or was it something else? I just do not understand it.

Professor Gillespie: I believe what I said. As I have explained—I will do it again, if the convener

wishes me to—I was not aware of the covenant breaches, and the Gillies report is quite correct that the University of Dundee, me included, did not have a sufficient grip on our cash reserves. My belief at the time was that we had a rolling credit facility, with the ability to dip into that in difficult times with international student recruitment, as other universities have had to do. I foresaw that we would have to downsize our university. I am sorry—that is a terrible word. Rather, I foresaw that the university would have to make cost savings, but I believed that that would be managed over the coming period. What particularly hit us hard was the breach of the banking covenants and the loss of faith with our bankers, which came as a complete and utter surprise to me. Had I been aware of any of that at the point when I was giving evidence to the committee, first of all, I would have given that huge amounts of attention, and, secondly, I would perhaps have revised what I said to the committee.

Willie Rennie: To be honest, yesterday was quite sad, because the people who were before the committee clearly struggled with their jobs. It was notable the number of times that they said, “I wasn’t aware of that information at the time.” No one had an inquiring mind, and Peter Fotheringham in particular clearly struggled in his role, which he admitted yesterday. If you had watched the evidence, you would have seen that. Similarly, the chair did not have a financial background and she was not inquiring.

Were you not aware of the fact that your team was not up to the job? It was your job to ensure that you had a proper team around you. Were you not aware of any of that? You are passing the buck to everybody else. You say that you were not told and you were not aware, and that the fact that you did not have a grip was because other people had not told you what was happening. However, it was your job to know those things.

Professor Gillespie: I am taking responsibility. I am clear about that and I will continue to be. The buck stops with me and I am not trying to avoid that responsibility. I have accepted it.

As far as the individuals whom you met yesterday are concerned, everything that I heard about Peter Fotheringham’s performance told me that he was quiet but effective, competent and in control. That was the message that I got from his staff in the finance directorate, and from the finance and policy committee. Should I have dug further? With the benefit of hindsight, the answer is yes.

Willie Rennie: It did not require the benefit of hindsight, though. There were fires going on and there were warnings across the system of higher education, not only in Scotland but across the UK.

There were alarm bells. Surely the two pictures did not match up. All of that was going on outside of your university, so did you think that you were unique and that there was no impact greater than what you had already identified? Surely you were asking questions.

Professor Gillespie: We did not think that we were unique; we knew that we had very significant declines in income from international student numbers, that we had to plan for a deficit budget and that we had to make some very significant changes to the structure of the university—as the University of Aberdeen, RGU and a number of other universities around Scotland and the UK have done. However, I did not know that we were about to breach our banking governance and that, therefore, our rolling credit facility would be withdrawn. I also did not know that the gap in capital was as big as it was. We simply did not have a sufficient eye on our cash resource.

Willie Rennie: Do you think that people were afraid to challenge you?

Professor Gillespie: I suspect that some people were not afraid to challenge me and that some people would always be afraid to challenge me. I am looking for the subtext, so if you are asking me whether Peter Fotheringham was afraid to challenge me, I can say that I had repeated conversations with Peter during which I asked, “Is something happening here that I don’t know about? Are you really sure that we are in a strong position?” I had those conversations with him and with his colleagues.

I certainly do not think that Jim McGeorge or Shane O’Neill were afraid to challenge me, and the members of court were not afraid to challenge me either.

Willie Rennie: How many complaints have you had about your conduct during your career?

Professor Gillespie: I have certainly had no complaint about my conduct in an awful long time.

Willie Rennie: Did you receive any complaints about your conduct when you were at the Natural Environment Research Council?

Professor Gillespie: At NERC?

Willie Rennie: What about when you were at the University of Leicester?

Professor Gillespie: I do not recall.

Willie Rennie: Did you ask anybody to sign a non-disclosure agreement, or did the system ask anybody to do that and to leave their post?

Professor Gillespie: At NERC or Leicester?

Willie Rennie: Either.

Professor Gillespie: Regarding me?

Willie Rennie: Yes.

Professor Gillespie: I do not remember any such instance.

John Mason (Glasgow Shettleston) (Ind): Would you say that you were somebody who deals with detail, or are you more about the big picture?

Professor Gillespie: If it is a binary choice, I would say that I am more about the big picture.

John Mason: I met you when the Finance and Public Administration Committee visited last summer; it was a great visit, and we saw the big picture. We did not discuss the finances, but it was all very positive at that time. Yesterday, the finance director told us that, when he—or, I should say, they—prepared the management accounts month by month, you did not look at them before the finance committee, the audit committee or the court got to see them. Is that the case?

Professor Gillespie: They went to the executive group.

John Mason: Yes, but you did not see them first, or discuss them first.

Professor Gillespie: No. Papers were often very late and we were pushing to get them to the executive group. They were often presented to the executive group at the last minute, but I did not have a conversation with the finance director prior to that.

John Mason: That surprises me a little bit. I have worked as the finance manager or whatever for organisations, albeit smaller ones, and the chief executive was all over me. As soon as I had prepared the management accounts, he or she wanted to sit down with me before anyone else saw them and go through them line by line, asking “Why this?” and “Why that?” before they went out. Sometimes I could give an explanation; sometimes, if there was an error, I had to correct it. You did not take that kind of hands-on approach with the management accounts, did you?

Professor Gillespie: I depended on the executive group to have that conversation.

John Mason: I am just following on from what colleagues have already asked about, but I note that Professor Gillies makes the point that

“UEG, Court and their committees and groups should have been aware of the worsening financial situation as early as December 2023”.

You have indicated that there were certainly problems at that point. However, in answer to Mr FitzPatrick, you said that there needed to be savings in 2024-25. If the problems became obvious as early as December 2023, why were cuts not made to expenditure in 2023-24?

Professor Gillespie: Because of the reductions in the envisaged recruitment, there was a push down on the recruitment of staff to teach students who were not coming. However, that was about avoiding an additional cost instead of pushing things to a cut. That did happen.

John Mason: I accept that we all have the benefit of hindsight now, but given the urgency of the situation, other universities seem to have been a bit quicker at making people redundant, even though they have been criticised for doing so. You have made the point that all universities have been facing these challenges, and I accept that, too, but Dundee seems to have been very slow compared to others in making redundancies.

Professor Gillespie: Yes—compared to others, we were slow in making redundancies. With the benefit of hindsight, we should have moved forward more quickly, but we did not.

John Mason: You have also accepted that the cash position drifted a bit and that the cash balance went down quite dramatically. We saw a lot of new buildings when we visited last summer. Was it too ambitious to go ahead with some of that capital expenditure? Would it have been better not to spend on building some of those buildings?

Professor Gillespie: Evidentially, we spent more cash than we could afford to spend. We spent more than I had expected us to, because there was an Exscientia pot that was supposed to have been ring fenced.

Evidentially, therefore, we were spending more cash than I thought that we were spending. We had a capital strategy group looking after that. With the benefit of hindsight, and given that we spent more cash than we had planned to, I can see that some of that was overambitious, although some of it was required. For example, some of the maintenance had to be done, and RAAC had to be dealt with. Had we known the cash situation, we could have mothballed the Fulton building and not expended cash on that; however, we did not have sufficient grip on the cash situation. So the short answer to your question is that, yes, it was too ambitious.

As for the biosciences innovation hub, that was mainly paid for out of the Tay cities deal money and other money that was raised externally.

09:45

John Mason: Can you give us a picture of the situation when decisions were made on capital expenditure or the staffing position? Was there a lot of challenge? Was there a big debate? Did the finance director come to you and say, “We have to make more cuts more urgently,” or did the chair of court say, “We need to be more urgent about

this?” Alternatively, was the situation broadly that there was agreement and things drifted along?

Professor Gillespie: It was more the latter than the former. There was very little pushback from the chair of court or the chair of the finance committee—quite the reverse. We were having somewhat light-touch conversations, which I felt were problematic. I raised that a number of times, saying, “Shouldn’t we be having more in-depth discussion about these issues?” I raised that with the chair of court and with my executive group.

John Mason: Do you think that all of them had been slightly overpromoted?

Professor Gillespie: All of them?

John Mason: The three whom we had yesterday in particular—the chief operating officer, the chair of court and the finance director. Were they all just a little bit beyond their ability?

Professor Gillespie: Again, with the benefit of hindsight and, evidentially, from what you have said round the table this morning, they were struggling. The chair of court had come without much financial experience or large-organisation experience and had a particular view on what she wanted to achieve as chair of court. The chair of the finance committee was relatively early in her career and was not able to commit as much time to her role as her predecessor had. The finance director was, very evidentially, beyond his capability. That is my deepest regret.

I suspect that the chief operating officer was cowed by this committee. I think that he is a very competent individual.

John Mason: The impression that I am getting is that everybody realised that there was a bit of a problem, but no one in the system—I accept that it did not have to be you; as I am from an accounting background, I might have expected it to be the finance director—really drove this or underlined the urgency and spoke to the court and the committees. That just was not happening, was it?

Professor Gillespie: Clearly, it was not happening sufficiently.

John Mason: The auditors gave you a completely clean bill of health for the July 2023 accounts. Neither the external auditors—nor, from what we can gather, the internal auditors—flagged up any major issues. We are talking about two of the four largest accountancy firms in the world, and I think that you were paying them quite a lot of money, so we would expect quite a lot of competence. Would your feeling now be that the auditors should have flagged things up a bit earlier?

Professor Gillespie: My feeling now is that both the finance committee and the auditors might

have flagged things up a little earlier. As far as the auditors and the audit and risk committee are concerned, I assume that they were taking a view on the basis of information that was put before them, which is the same information that I had put before me. However, with the benefit of hindsight, the £8 million betterment, for example, could have been flagged as something that the management group should pay more attention to.

John Mason: Did the internal or external auditors have direct discussions with you?

Professor Gillespie: No, they did not.

John Mason: They did not.

Professor Gillespie: No.

John Mason: So when they formed a view that the university was a going concern through to July 2025, that came from other people. They were forming that view.

Professor Gillespie: It was from the chair of the audit and risk committee, the finance director and others, not from me.

John Mason: You used the word “betterment”. It is not a word that I was familiar with, but I accept that I am not up to speed on all the latest accounting terms. Will you tell us what you understood by the word “betterment”?

Professor Gillespie: I admit that it was not a term that I had come across either until I joined Dundee university. My understanding of the betterment number is that it referred to cost savings that were to be delivered but which had not yet been ascribed to an individual business unit. They were cost savings needed to—forgive me, but I am repeating myself. I will stop.

John Mason: In one sense, it could be said that betterment was a delaying mechanism. Is that right? They were savings that had to be made, but it had not been decided where specifically they would be made.

Professor Gillespie: My understanding is that betterment was there to recognise that savings needed to be made and that processes were in place to deliver them. Rather than a delaying mechanism, betterment was a flagging mechanism to ensure that the savings were delivered. My understanding is that it was a positive thing to ensure that savings were delivered, as opposed to a delaying mechanism.

John Mason: Finally, covenants have been mentioned a lot, and Professor Gillies has put a big emphasis on them. I wonder how you thought of covenants. When a lot of businesses and organisations sign up to a loan agreement with a bank, they do not read all the small print, which is where the covenants are. It is like when most of us buy an insurance policy; we do not read the small

print and, lo and behold, sometimes it comes back to bite us. Is that kind of the way that you and others approached the covenants?

Professor Gillespie: I certainly did not pay sufficient attention to our covenant commitments. If I had, it would not have been September or October when I had the conversation with my finance director at which I said, "Tell me about our covenants, please." Part of the reason for that was an insufficient recognition that covenants applied to the drawing down of a revolving credit facility rather than just private placement loans. We had talked about the possibility—this was way before international student numbers came down—of the University of Dundee looking for private placements. I understood the impact of covenants on those much better, but I had to ask the finance director to explain to me where we were on covenants in the revolving credit facility. That was my failure to recognise the importance of covenants, which I tried to ameliorate by the conversation that I had with him.

That is a slightly long-winded way of saying yes, we paid insufficient attention to covenants, because they had not seemed sufficiently live.

John Mason: I would say, by way of comment, that my experience of covenants is that they are varied. Sometimes banks insist on them, and sometimes they do not. Sometimes they are more relaxed about them—but they can catch you out.

The Convener: I deliberately moved to questions from John Mason despite wanting to follow up on Willie Rennie's points because, sometimes, when you are immediately asked a question, it does not trigger your memory, but when you go on to discuss another subject and then come back to the question, it does. At any point in your time at NERC, do you recall there being any issues with staff working under you or complaints being made against you about your behaviour, and how were those resolved?

Professor Gillespie: In my time at NERC, there was one member of staff who made a complaint against me, which was about overbearing behaviour. I will not mention the individual's name in public. As for how it was resolved, the individual at some point moved on to another job across the research councils. However, I was not involved in that process, so I cannot answer Mr Rennie's question whether there was an NDA or a movement—I simply do not recall that. I was not involved in that.

The Convener: Mr Rennie's first question was on whether there were any complaints about your behaviour. You now seem to know an awful lot about that case—

Professor Gillespie: You reminded me of it.

The Convener: Did you deliberately not answer Mr Rennie earlier?

Professor Gillespie: I have very deliberately been really clear now.

The Convener: That is because you are being pressed. Why could you not remember that just a few minutes ago?

Professor Gillespie: Your comment is quite right—sometimes, when a question is asked, we might think, "What?" and we then reflect on it as the next question comes in. So, I have reflected, and I have done exactly as you suggested. I am grateful for your coming back to the matter.

The Convener: This individual has outlined what it meant to them. They say that, a decade on, they cannot talk about some of the ways in which you treated them, and others, because it is too upsetting. A decade on, you are still having an impact.

Professor Gillespie: I am very disturbed to hear that.

Willie Rennie: I have two questions. First, that individual said that there were others at Leicester university who knew about your behaviour, and it was widespread; it was widely known. Secondly, in your first answer to me, you said, "Certainly not." I cannot remember what period you were referring to, but I am sure that you implied that you were talking about your time at Dundee university. Before you were at Leicester university, were there any other times when there were complaints that you were aware of, or people objecting to your behaviour? Was there any of that at any time?

Come on—you would remember such things, surely. They are a direct criticism of your behaviour. I would certainly know if people were complaining about my behaviour. Is there nothing else?

Professor Gillespie: Well, we have just discussed NERC.

Willie Rennie: And, other than that, nothing at all.

Professor Gillespie: You are taking me back to my time in the civil service now. Gosh—that is long time ago. I am sorry, but I do not recall.

Willie Rennie: If you remember by the end of the meeting, will you take the opportunity to correct us? I would be grateful for that.

Professor Gillespie: I will reflect on that as we go through the meeting.

The Convener: Do you understand why the acceptance of even one case at NERC—the individual tells us that there were others—and potentially elsewhere, which you will think about

over the course of the meeting, backs up what was said about your behaviour in the Gillies report, which you contested at the very start of the evidence session? It is not just Gillies saying this in her report of last week—this goes back years and decades.

Professor Gillespie: Given what you have just said to me, I fully understand why you are probing that.

The Convener: Do you now accept the characterisations that Gillies put in her report?

Professor Gillespie: I told you at the very beginning that I did not recognise the characterisations that Gillies put in her report, particularly the characterisations of not dealing well with women. I created a situation in which the executive group was gender balanced and in which we increased the number of women directors in professional services. We also took steps to increase the number of women professors. Some of my closest confidantes in working for the strategy were women—a director of strategy, a chief of staff and others.

The Convener: It is helpful that you mention those various titles. First, I hope that the person who was strong enough to outline what happened to them 10 years ago takes some encouragement from the fact that, under probing, you have been able to recollect that. It matches a pattern of behaviour that Gillies reported.

You have mentioned a number of roles to try to defend how you have acted as a leader. In the four years when you were principal, the following left the University of Dundee senior management: four directors of people, three directors of finance, three directors of external relations, three directors of strategy and four chiefs of staff in the principal's office. At any time when those 17 people were separately leaving the University of Dundee, did you ever think that the problem was not the individuals who left but the one that remained—you?

10:00

Professor Gillespie: My recollection is that we had two finance directors—three if we include the interim.

The Convener: We do, yes.

Professor Gillespie: One moved on to a very significant—

The Convener: We are talking about 17 people in senior leadership roles gone in just the four years in which you were in charge of the university. Are you saying that at no point when those numbers started stacking up did you think that you were the problem rather than them?

Professor Gillespie: On those particular roles, did I think that I was the problem rather than them? No, I did not think that I was the problem that led to their leaving. A number of individuals left because of the challenging environments in which they found themselves. Did I think that I was the problem rather than them? No.

Miles Briggs (Lothian) (Con): Good morning, Professor Gillespie. Did you ever struggle in your role as principal?

Professor Gillespie: Any principal who said that they did not struggle in the role at some point in time would be, to use Mr Rennie's word, delusional—so, yes.

Miles Briggs: In what particular areas of that role would you say that you struggled?

Professor Gillespie: First, when beginning as principal, the impostor syndrome was an issue. I had a coach and was part of a peer group that worked with me.

The area that I found to be a particular gap for me related to education. I came from a research background, not an education background, so I needed to learn to understand quality assurance systems, education delivery and student attainment.

I struggled with developing strategy and how we could create a strategy that brought everyone in.

I am sure that there are other areas, but those are the immediate ones.

Miles Briggs: That is interesting. In her report, Professor Gillies says that she received

"many reports ... that the Principal frequently demonstrated hubris, or excessive pride in his role."

Was that from the training that you received or personal traits?

Professor Gillespie: I must admit that I was trying to understand what Pamela meant by that comment. I deliberately took a position. I wanted to try to instil confidence and direction in the university and to talk up the university and the city. If that is interpreted as hubris, I accept that. I think that it is part of the role of being a university leader.

On pride in my role, of course I was proud of being the principal of a great university. I am not sure what "excessive pride" in the role means.

Miles Briggs: I will ask a few questions on yesterday's evidence, for clarification. You clearly have not been able to watch that, but there were a number of questions surrounding your expenses. Did you approve your own expenses?

Professor Gillespie: No, my expenses went through the chief operating officer or the chief finance officer.

Miles Briggs: So, at no point did you sign off any of your personal expenses.

Professor Gillespie: I cannot sign off my expenses.

The Convener: The evidence that we received yesterday was that the chief finance officer and the chief operating officer were not involved in your expenses. Are you saying that they were wrong? The chair of court accepted that there was a policy that she would have to sign them off, but the finance director at the time and the chief operating officer said that they were not involved in your expenses.

Professor Gillespie: Around a year ago, I asked the question, "Can I just be sure, please, that the chief operating officer is signing off my expenses?" The answer that I got—I am not sure whether it was from him or from the chief strategy officer—was, "Yes, this is the system in which your expenses are signed off." I said, "Thank you." That is how I understood expenses to be signed off, because it was the agreement that I had reached with Ronnie Bowie, the previous chair of court.

Miles Briggs: The auditor's report suggests that your expenses broke claim rules. Do you recognise that?

Professor Gillespie: I was unaware of that.

Miles Briggs: The auditor reviewed your expenses and said that 90 per cent of the purchase card claims that it reviewed—over £87,000—did not comply with university policy. Did you know anything about that?

Professor Gillespie: I am afraid that that is news to me, Mr Briggs.

The Convener: That evidence is on our committee web page. We requested that information and received it. It is available not only so that we can prepare, but also so that you can prepare. Are you saying that you did not look at that in advance of this meeting?

Professor Gillespie: I read through a great deal of material ahead of this meeting, and I apologise that I missed that.

Miles Briggs: Have you ever read *The Courier* newspaper?

Professor Gillespie: Yes, I read *The Courier* newspaper when I was in Dundee.

Miles Briggs: I am referring to an article from 23 June. If I was in your shoes, I would have prepared and expected all those questions.

Professor Gillespie: I have not been reading *The Courier* newspaper recently.

Miles Briggs: I can understand that, to be quite frank.

The Gillies report talks specifically about extravagant spending. Do you recognise that?

Professor Gillespie: The expenditure was always focused on the business's needs and its future. Some expenses came from when we entertained Chinese delegations, for example, and we were trying to create an environment for them that matched the reception that they had given us, in order to push our numbers up and improve our partnership. Perhaps that came across as extravagant, but it was intended to build a relationship.

Miles Briggs: Have you, at any point, used your position to fund your lifestyle?

Professor Gillespie: Well, my salary, not anything else, has funded my lifestyle.

Miles Briggs: What about your expenses? I have looked through those listed in the auditor's report. The expenses are all for first-class-only travel and top hotels. The auditor took significant umbrage at the fact that they did not meet any of the university's outlined policies. You did not care about any of that; it just had to be the best for you, wherever you were going.

Professor Gillespie: I did not book the hotels; I set out the timings of where I needed to be, but I did not say, "Put me in hotel X," or, "Put me in hotel Y." When I was travelling in China, the hotels were paid for at a discounted corporate rate. We might have been staying in good hotels, but the prices were more favourable.

Miles Briggs: I have two more questions. The first returns to what other members have asked you. You have said that you are taking responsibility and have given a heartfelt apology. Would it not be an act of recognition of the role that you played in creating the situation that the University of Dundee now finds itself in if you paid back that £150,000? I do not know how many staff members' jobs would be saved by your doing so, but do you recognise that it could be really important for you to send a message to the students and staff who are left at the University of Dundee that you understand your role in the saga?

Professor Gillespie: Mr Briggs, you are one of several committee members who have suggested that, and I will reflect on it.

Miles Briggs: Thank you for that.

I want to raise some evidence that Professor Gillies took in relation to Sir Peter Mathieson, who was included in the new year's honours list two

years ago. It was said to her by a number of colleagues that you had said that you wanted one of those. Is that accurate? When Sir Peter Mathieson was included in the new year's honours list, did you also want to see your name put forward for that? Did you discuss that with any colleagues when you were at the university? The evidence that we have received suggests that that was the case.

Professor Gillespie: Are you asking whether I was lobbying for someone to put me forward for that? Are you asking whether I was lobbying?

Miles Briggs: Yes. The evidence suggests that you said that you wanted one of those. Do you recall ever suggesting that?

Professor Gillespie: I may have said in humour at some point, "Oh, it would be nice to have one of those," but that is far away from saying, "I want one of those—get me one." That is a very different situation.

Miles Briggs: I just wanted to ask you about that. Thank you.

The Convener: Do you know how much your trips cost? For example, for the Hong Kong trip, what was the cost of your flights, your hotel and your expenses?

Professor Gillespie: I have not looked at that number.

The Convener: It was over £7,000. Was that value for money?

Professor Gillespie: Well, one student is £20,000. One significant—

The Convener: Sorry, but were you knocking on doors and encouraging students to come over?

Professor Gillespie: No, I was doing exactly the same as every other university principal does, which is travel, meet alumni and broker partnerships, including with the faculty of medicine at the University of Hong Kong, which is a top-rated university. I was meeting alumni, looking for opportunities for advancement—that is, donations in the long term—and creating partnerships. Can one put immediate monetary value on the return on that? That is very difficult to do. It is a long-term relationship business.

The Convener: Over £7,000 was spent on that trip, and £4,723 of that was for your business-class flights, which, as Mr Briggs has just said, broke the policy. Why did you need to go business class when another senior member from the university went premium economy?

Professor Gillespie: The Hong Kong trip was not just for Hong Kong. It was a platform for elsewhere in China, so let us not—

The Convener: My question is about two members from the university going. You were up front in business class, at a cost of £4,723, and your colleague was behind you, in premium economy. Why was premium economy good enough for them but not good enough for Professor Iain Gillespie?

Professor Gillespie: I had an agreement with the chair of court, as most other university principals do, that, when I travelled long haul and had to perform and represent the university, I would travel business class, and that is what I did.

The Convener: Was it right that your colleague had to travel in premium economy? Could you have shown that you were someone who was saving every penny by travelling in premium economy, too?

Professor Gillespie: Could you remind me who the colleague was?

The Convener: I am not going to mention the names of other colleagues. You are in front of us today. I cannot imagine that there were many of you on the flight.

Professor Gillespie: I do not remember who was on the flight.

The Convener: Okay. As I mentioned, you took 11 trips over two years, including to Iraq and Malawi. What were you gaining there?

Professor Gillespie: On Malawi, we had launched a commitment to Africa and our intention was to work with universities in Africa, particularly in Malawi, Nigeria, Ghana and a number of other countries, to develop opportunities for research, to invest in African development and to create a welcoming environment for African students coming to the University of Dundee. Our African students were incredibly appreciative of the work that the university was doing with Africa, including in Malawi. We worked with the six public universities in Malawi on a partnership, which we talked about as the Blantyre declaration, which was a partnership of equity with those universities.

The Convener: Did you travel business class to both Iraq and Malawi?

Professor Gillespie: When I travelled long haul, I travelled business class.

The Convener: So, you travelled business class to all those destinations.

Professor Gillespie: When I travelled long haul, I travelled business class.

Jackie Dunbar (Aberdeen Donside) (SNP): What I am getting from that is that you had an agreement with the chair of court that you would travel business class. Is that what you said, Professor Gillespie?

Professor Gillespie: That is correct.

10:15

Jackie Dunbar: I understand that you had that agreement, but who would have been ultimately responsible for authorising the bookings and flights when you went to those countries? Who would authorise your expenses?

Professor Gillespie: My office handled the bookings, the logistics and the operational issues. My understanding, as I said earlier, is that either the chief finance officer or the COO would sign off the expenses.

Jackie Dunbar: Did you not, at any time, question them? If a member of my office team booked first-class travel for me—which would not be allowed under Parliament policy—my first response would be, “Hold on a minute. That’s very nice, but I have to follow the public pound and it’s not appropriate for me to travel that way.” Did you not think, at any point, that you had to follow the university pound? It was money that the university could have used for other things.

Professor Gillespie: I was very conscious of whether the trips that I was going on would deliver returns to our university. That was the case in China, in Malawi, in Iraq and in south-east Asia. I am sorry, convener, that I did not talk about Iraq earlier. I would discuss with my senior team the trips that I was going on, and I would ensure that the team thought that they would be value for money.

Jackie Dunbar: Did you think that they were value for money?

Professor Gillespie: I am trying to think whether there were any trips that I went on when I thought, “Why am I here?”

Jackie Dunbar: I am not asking about the destinations; I am asking about your hotel facilities and the bookings that you had. Did you think that the amount that was spent from university funds was value for money for your travel and booking arrangements? Did you feel that the university was getting value for money for those bookings?

Professor Gillespie: I think that the university was getting value for money for those bookings. I went business class on long haul; for short haul, I went by Ryanair.

The Convener: Before I take questions from Ross Greer, I will go back to Willie Rennie.

Willie Rennie: While the committee has been meeting this morning, the individual who complained about you at the NERC has communicated back to me. The individual says:

“THANK YOU. I did not move to another research council. I left completely and went to a university,

completely broken. I lost a lot, including my final salary pension.”

Professor Gillespie: I said that I could not recall where that individual went. I believed that that individual went back to the research councils, but—

Willie Rennie: Their words are “completely broken”—

Professor Gillespie: I have heard that.

Willie Rennie: —and “final salary pension.” There is no point in going over it again, but for you to have denied it initially, when this person felt so strongly about it and when it affected their life so deeply, and for you not to recall it—I am afraid that that tells us a lot about you.

Ross Greer (West Scotland) (Green): Professor Gillespie, you mentioned earlier that the decision to leave the university was made over the course of a weekend, in effect, with discussions between you and the then chair of court. In those discussions, which led to your decision to leave, did you at any point discuss with the then chair of court potential candidates for the interim principal position or who would take on your responsibilities, given that you were leaving immediately, without notice?

Professor Gillespie: No, we did not have that discussion.

Ross Greer: During the questioning yesterday, I think that all members of the committee struggled with the fact that information appeared not to have been provided to the university court. The then chair of court did not want to ascribe motivations to that. Was the lack of information caused simply by missteps and incompetence, or were there deliberate efforts to withhold information from the court? It seems that the university court was not aware of a number of specific issues nor of the growing crisis until it was too late. Did you at any point withhold information from the court? If so, what were your reasons for doing so?

Professor Gillespie: I certainly did not deliberately withhold information from the court. I had conversations with the chair of court on specific issues, including as we began to see the severity of our financial situation. The chair of court’s view was very firmly that she should communicate with court members and that I should communicate with her. Looking back, there was an asymmetry between what I told everyone in the court in a timely fashion and what I told the chair of court.

Ross Greer: If I understand what you are saying, you are implying that you provided her with more information but you felt that it was not your place to provide the whole court with that

information, because she had made it clear to you that that was her role. Is that a fair summary?

Professor Gillespie: That is a fair summary of what I have just said—yes.

Ross Greer: You were obviously present at the court and you were part of the court. Did it make you feel uncomfortable that discussions were taking place at the court when you knew that you had provided the chair with more information than you believed she was then providing to the whole court?

Professor Gillespie: To be clear, there was no situation that I can recall in which there was a court meeting and something that I had told the chair of court about our finances was not then revealed to the court. In the court meetings, there was a sense to me of, “Speak when you’re spoken to.” Did I find that comfortable? I found it to be a style that contrasted with the style that the previous chair of court had.

Ross Greer: You will understand why that is challenging for me to accept, particularly, if I am being honest, given the discussion that we have just had and what is in the Gillies report about your character.

It appears, from what you are trying to present to us this morning, that you felt cowed and unable to contribute fully—that you spoke only when spoken to. I find that hard to believe, particularly having sat with the previous chair of court yesterday, sitting with you now, having met you before and considering what is in the Gillies report. I find it hard to believe that you would have felt so cowed as to be unable to fully contribute and to be able to contribute only when you were invited to do so by the chair. Is that what you are trying to suggest?

Professor Gillespie: You have used the word “cowed”; I have not used that word.

Ross Greer: That certainly seemed to be what you were implying—you said, “Speak when you’re spoken to.” I find it hard to believe that you would accept that, knowing what I do about your character, particularly considering what is in the report and having met you before. I find that incredibly hard to believe.

Professor Gillespie: The chair of court made it pretty clear to me that she wanted me to say little. I would ask to comment and then she might allow me to comment or she might not. She chaired what she saw as a very tight court meeting. I am not saying that I was cowed. It was probably an exaggeration to say, “Speak when you’re spoken to,” but, certainly, my contributions were relatively small compared to what they had been previously.

Ross Greer: Did you feel that attempts were made to reduce the participation of the wider

executive group at the court and that that perhaps resulted in a lack of effective scrutiny, because the right people were not in the room? One issue appears to have been that it caused two bottlenecks: one through the chair of court—which you have presented—and another through you. If a wider group of executive members had been present at court, court members would perhaps have felt more able to direct specific questions and effective lines of scrutiny. Did you feel uncomfortable about any attempts to reduce the wider executive group’s participation at court?

Professor Gillespie: As I said in response to an earlier question, I thought that it was a bad idea and that we should have executive members at court. If the chair of court did not want those individuals sat around the table, we could at least have had them in the room, so that they could have contributed when necessary. The chair of court said that she did not want that. Did I feel uncomfortable about that? Yes, I did.

The Convener: We have completed the committee members’ original questions, but, as Mr Greer has just indicated, a number of us will come in again later in the session. We have also been joined by two regional members, who have taken a significant interest in the topic for quite some time.

Michael Marra (North East Scotland) (Lab): I put on record, as I did yesterday, that I was previously employed at the University of Dundee. My time at the university overlapped with that of Professor Gillespie by perhaps three months. Earlier, you seemed to indicate that you were not happy when you were essentially asked to leave the university. Did you feel betrayed?

Professor Gillespie: I was very sad. I could clearly see that the financial situation was deteriorating very quickly, and I recognised that, as principal and chief executive, I had to take responsibility for that. When I was asked to leave, it hurt and I was sad.

Michael Marra: Do you remember the date that you left?

Professor Gillespie: It was the beginning of December.

Michael Marra: December 2024? Okay.

Professor Gillespie: It was the 9th or 10th—something like that.

Michael Marra: Given how you have presented some of your evidence today, you seem like a man who has a bit of a flair for language and presentation, as many people in your position would.

When you left, a copy of a book called “The Spy and the Traitor” was left on your desk at University

House, where you had put your keys and staff card. Was that because you felt that there were traitors and you felt betrayed?

Professor Gillespie: Forgive me for laughing, which is a very inappropriate reaction.

No, not at all. Professor Mike Ferguson had lent me that book, and I was leaving it there for it to be passed back to him.

Michael Marra: The sense that I got from the earlier conversation about your final departure was that you were not very happy about the whole thing. Why did the chair of court feel that you had to leave? Was it because you had caused the situation or because you were not part of the solution to the situation?

Professor Gillespie: She did not discuss with me whether I could be part of the solution. Her discussion with me was simply, “We have lost faith in you and you have to go.”

Michael Marra: Did she tell you why? “We have lost faith in you” must be about the fact that you had known—as you have set out in the evidence that you have given us today and as we have seen in the Gillies report—that the institution had very significant financial problems since, if we are being generous, early spring 2024.

I have been told by very senior colleagues of yours, such as Professor O'Neill, that there was complete inaction from you between the point that everybody knew and the point that you left in December. We have heard that no action was taken on voluntary severance. You thought that it should happen, but you could not deliver it, in your own words. In other evidence, we were told that you did not think that it should happen at all. The Gillies report says that there were moments when the university could have changed course but did not.

You were not able to deliver any such actions. How would you describe your actions over the period from spring to December, when you departed? What were you doing to try to save 3,000 jobs?

Professor Gillespie: I was looking at how we could reduce our costs. The idea that there was inaction from me over voluntary severance is not true at all. The executive group, Shane O'Neill and others were fully involved with the conversation and looking at how we could reduce our costs.

Michael Marra: However, it did not happen, Professor Gillespie. You were the leader of an institution that was in existential crisis where, clearly, the costs had got completely out of control. As we have heard in the reports, spending was completely out of control. The income that you were already seeing was collapsing and you could not deliver a voluntary severance scheme. You

could not push that through the organisation. Why not?

Professor Gillespie: First, we tried to identify areas where our performance was particularly poor, where we were overstaffed and where student recruitment and academic performance were poor. With other colleagues, I led a number of analytical discussions on that.

10:30

Michael Marra: Professor Gillespie, you talk about analytical discussions but, at that time, headcount at the university was continuing to rise. We have that in our evidence. The number of people who were employed there was climbing and climbing. There were £35 million of savings identified in the budget that you had signed off and there was no action to deliver against any of them.

Professor Gillespie: There was some action. There was action to reduce hiring costs, particularly through the school of business, and a programme was developed on how we could deliver a £17 million deficit budget. That would have been through a VS scheme. You are right that the executive group, together with court, cycled around what a voluntary severance scheme should look like and you are also right to say that that was burning money.

Michael Marra: It clearly was burning money and the building was alight at that point.

The character of the evidence that we have heard today is that you were a principal for the good times—a good-time Charlie—and, when the situation turned, you were completely inactive. You could not deal with it. You liked going abroad and being a credible face for the institution—Professor Gillies says that. However, when it came to the difficult decisions—the stuff that had to be done—you were just not interested, were you?

Professor Gillespie: That is absolutely not the case.

Michael Marra: There is no evidence that you managed to achieve anything in that period. That is why we are sitting here now.

Professor Gillespie: I—we—had not realised the urgency of the situation regarding breaching our banking covenants so that we could not rely on the revolving credit facility to manage our way to a reduction in costs. Wendy Alexander was pushing us hard on what the international student recovery might look like. Her view was that it would recover quite quickly.

Michael Marra: Why did you deplete the university cash reserves with the amount of money that you spent, whether on capital or otherwise,

and not use the revolving credit facility, as other institutions would do?

Professor Gillespie: I have already said and will say again that—I am not proud of this but I am trying to be as open as I can be—we had a very insufficient focus on our cash reserves. The message that we got from the finance director, which I did not interrogate sufficiently well, was that we had no need to use a revolving credit facility or look for additional loan placement because we had a strong cash position, which was wrong.

Michael Marra: Accountants have stressed that it was an incredibly unusual move that, when you knew that there was a problem in expenditure and income, you were continuing to use your cash reserves and depleting them rather than using the credit facility. It turns out that you probably could not have used the credit facility because of all the issues of covenant, but at no point did you ask why you were doing that rather than taking on long-term credit to ensure that you retained your cash position. That was a basic of the business. Did you not understand that?

Professor Gillespie: I looked to our finance function and our finance and policy committee to give me advice on the way that we spent our capital and the way that we invested. I did not get criticism or advice to do something different from them.

Michael Marra: So you just kept spending.

This is the big difference. A lot of the conversation today has focused on international recruitment, and you have a good handle on that, but you do not appear to have a very good handle on a lot of other areas; I could list some of them. The issue is that the level of expenditure in the institution is the real problem.

There are many universities in Scotland circling around the pit. The reason that the University of Dundee has tipped into it is that you massively depleted the institution's cash reserves over the previous 14 months. You liked spending the money and investing, did you not?

Professor Gillespie: There is no issue of like or not like. We had a capital—

Michael Marra: I think that there is—

Professor Gillespie: We had a capital strategy group that took those decisions and reported to the executive group. I did not.

Michael Marra: You did not take those decisions.

Professor Gillespie: Well, we took the decisions as an executive.

Michael Marra: But you were the person who was saying that you were aiming for the university to become a £500 million-turnover organisation. On what basis did you get the idea that that was possible, when you knew about the underlying challenges in the institution?

Professor Gillespie: That was at a point when international student recruitment was soaring and increasing and we asked the question, "Could we deliver that?". We did not set out a timeline for that; it was a heuristic narrative for what we might think about the ambition of the organisation—

Michael Marra: It was a hubristic narrative, I think.

Professor Gillespie: Well, perhaps, but—

Michael Marra: We heard in yesterday's session—again, as you would know if you had listened to it—from several members who gave an account of the long-term strategic challenges of the institution. There is the imbalance between research and teaching income, which I think that you would acknowledge—you have acknowledged in part, in your evidence today, the challenges over a period of time. Is it not right that you bet the future of the whole university, and the city, on rapid and continued growth?

Professor Gillespie: We expected to see continued growth and international student recruitment going up. As it became obvious that that was increasingly challenging, with visa changes and other things, we looked at how we could contain our expenditure, and—

Michael Marra: Universities UK issued a report at the start of 2024 saying that that was not going to be the case. Two major reports were published that sent warning signals about the international recruitment market. Do you recognise that?

Professor Gillespie: In 2024, we saw our numbers coming down and we looked at reprofiling our ambitions.

Michael Marra: The Gillies review says:

"Court was briefed orally by the Principal on the state of financial health of the sector and routinely and confidently advised that Dundee was 'bucking the trend' and doing better than most."

Why did you think that you were immune to an international situation?

Professor Gillespie: I did not think that we were immune. I was basing that on the data that I was getting from student planning, from my executive colleagues and from finance.

Michael Marra: But you knew that the Nigerian currency had collapsed—you could have read that in the *Financial Times* or in *The Economist*.

Professor Gillespie: I knew that—

Michael Marra: So why did you think that those people would keep coming?

Professor Gillespie: Because those were the planning numbers and the data that I was getting from my colleagues, and I believed it.

Michael Marra: And you did not say, at any point, “I think that sounds a bit optimistic, given that the currency in Nigeria has lost 70 per cent of its value—I think we should be looking at that again.”

Professor Gillespie: I repeatedly looked at whether those numbers were actually realistic, which was why we increased the downsize scenario for student recruitment.

Michael Marra: I am looking at how that relates to the budget, though. In June, you were told that you were modelling for a 25 per cent reduction, and other members of the executive said, “We should be looking at a reduction of at least 35 per cent”, but when the budget left that meeting, it continued on the basis of a 25 per cent reduction, did it not?

Professor Gillespie: When the budget went to that meeting, it was based on the data that was available at that time. We talked about what would happen if there was a 35 per cent reduction, and how much of a difference that would make—I do not recall the figures for that now.

Michael Marra: You started the evidence session by saying that

“The university found itself in an invidious financial situation.”

You put the institution in an invidious financial situation, did you not, through uncontrolled expenditure, a lack of ability to realise savings and a lack of realistic predictions around international recruitment? The jobs of 3,000 people are at risk, and the taxpayer is on the hook for £122 million, as a result of that grotesque level of failure. You have said that you apologise. Do you take responsibility for that level of financial vandalism?

Professor Gillespie: I have repeatedly said—and I say it again—that, as the principal and the head of the institution, it is for me to take overall responsibility for the failure of the organisation. I have said that repeatedly, and I will say it again.

Michael Marra: You had no grip on expenses policy; no grip on the covenants; no grip on savings; no grip on expenditure; and no grip on governance. That is what we have heard in your evidence today, Mr Gillespie. You have a lot of well-informed views about the international recruitment market; it seems that that was the thing that you were concerned about.

You were absent. The day after you resigned, you were due to fly off to China again, were you

not? That would have been your 14th international trip within that year. Were you not an absent landlord?

Professor Gillespie: No, I was not an absent landlord, but I had a team that I trusted—

Michael Marra: Were you betrayed?

Professor Gillespie: Was I betrayed?

Michael Marra: That is the characterisation that you are giving in your evidence.

Professor Gillespie: No, it is not the characterisation that I am giving at all. What I am saying is that there were some things that I did not know that I should have known, in particular around the covenant issue, which was particularly problematic.

The Convener: On that line of questioning, in particular around finances, do you have any particular training in dealing with significant finances and suchlike, or did you rely heavily on the finance director, the team around the finance director and others?

Professor Gillespie: Earlier in my career, I did an MBA, which gave me some understanding, but I relied mainly on the finance director and the finance team.

The Convener: It is good to get on the record the fact that you relied mainly on them, because, overnight, we were provided with information from a current member of the court. They apologised for getting the document to us so late, but it had just come into their hands.

The document contains your handwritten amendments to the financial statements of 2023-24—I have them here in front of me. That makes me query why you were getting so involved. Why were you making handwritten amendments to the financial statements, given that you have just told us, seconds ago, that you relied so heavily on the finance director and the team around the finance director?

I will elaborate. There is a sentence in the statement that says that there was an

“overall adverse impact resulting in an operational deficit”.

That is what was written but, in your handwritten note, you wanted that changed to say that there was a “small operational deficit”.

Another element says that the university’s 2024 financial performance was “adverse to budget”. Your handwritten note wanted that changed to say that the university’s financial performance was

“comparatively strong compared to much of the sector”,

in what had been a turbulent year, but, nonetheless, it was adverse to the budget.

You do not have training and you rely heavily on your finance team, but you wanted to paint a brighter picture by changing the statement. The auditor rejected it—your handwritten amendments did not pass muster.

Why were you trying to do that? To go back to what Pamela Gillies said about your character, you always tried to present too bright a picture.

Professor Gillespie: I am assuming that that was the narrative at the beginning of the statement.

The Convener: Yes. Did you write handwritten notes on much of the financial—

Professor Gillespie: No. The narrative at the beginning was something that I would take a view on; it is exactly that. I believed at the time that our deficit was £1.2 million to £1.3 million. It was not—it was £12 point something million. That was the data that we had in front of us at the finance and policy committee—

The Convener: No, we are not having that.

Professor Gillespie: Why are you not—

The Convener: I will tell you why. You made those handwritten notes on 16 October 2024; that is when you put them in. Less than a fortnight later, the auditors had finished their work and did not accept your amendments. It is not that the passage of time made people realise that what you were trying to insert into the document was not backed up. It was days.

Professor Gillespie: Perhaps that reflects my misunderstanding of the financial situation at the time.

The Convener: So, you should not have been trying to interfere in that way.

Professor Gillespie: I was not trying to interfere; I was just trying to create a narrative flow—

The Convener: A more positive narrative than the figures substantiated.

10:45

Professor Gillespie: It was not a more positive narrative than the figures that I understood substantiated.

The Convener: The auditors certainly understood, because it took them days to reject what you said.

Professor Gillespie: That is what auditors are for. Auditors are there to say, “No, you have got this wrong”. That is fine.

The Convener: You were not there to do that. The financial statement had already been written

and printed off, and you were scribbling all over it to make it seem more positive and to make it look as though you were running a university that was profitable and doing well, when you were not.

Professor Gillespie: We have spent two and a quarter hours in this meeting with me repeatedly saying that I was insufficiently sighted and aware of the financial situation at the time. I have continually said that I was not trying to present a more positive picture; I was trying to present the picture that I believed was the case, and I was wrong.

The Convener: You were clearly trying to make the financial statements look better than they were and you were found out days later by the auditors. I will move on to questions from Maggie Chapman.

Maggie Chapman (North East Scotland) (Green): I begin my questions today as I did yesterday: I put on the record an interest, which is that I was elected as the rector of the University of Dundee in March and will take up the post in August.

Thank you for your comments so far, Ian Gillespie. You said earlier that you love the university and that you wanted to be part of its future. Why then, when the urgency of the situation came to light in November, when staff and the wider university community were told about the gaping black hole, did you not spend time on campus? Why did you not make yourself available to staff and students? You instead sent your deputy to the first town hall meeting, which was called by campus trade unions to bring staff together to discuss the situation.

Professor Gillespie: I will not go into that in public, because everyone is watching and it is very private to me. I had a deep, private commitment that I needed to meet that weekend. I discussed with my COO and my deputy vice chancellor whether they thought that it was acceptable for me to honour that commitment and for them to present at the meeting. They were supportive of my private commitment that weekend. Forgive me, Ms Chapman, but I will not go into detail about that, because it is deeply private and this is a public hearing.

Maggie Chapman: That is fine—I accept that. I just had to ask the question.

In April 2023, the Scottish Trades Union Congress called the university a “rogue employer”. Will you give us some indication of how, in your role as the university leader, you tried to foster good relations with campus trade unions, the broader staff community and students?

Professor Gillespie: When I came into the University of Dundee, it had a particularly problematic relationship with employees

regarding, for example, pension reform, a school merger and job losses. I tried to interact with all the unions to find a way through those challenges. We ended up with a revised pension reform process and a revised school merger. From then on, I tried to make myself available to staff and students. I tried to communicate with them regularly, and I tried to have an on-campus presence in which I would be available to stop and chat to colleagues.

Day-to-day connections with the unions were run by the deputy vice chancellor, the COO and the director of human resources. Their advice to me was that, if I stayed away from that, I could be brought in when there were particularly weighty issues that needed the principal's presence to be discussed, which never happened in the time that I was there.

Maggie Chapman: You say that it never happened, but you got involved in 2021-22 when you tried to close the University of Dundee superannuation and life assurance scheme—UODSS. Apparently, you said at a meeting that keeping the scheme open would be an existential threat to the university. Do you recall that? It is clearly an example of you getting involved in industrial relations, although you have just told us that you did not really do that.

Professor Gillespie: I did get involved on pension reform, to be clear. The pension reform was agreed by court prior to my arrival at Dundee. The final sign-off to that was some months after I arrived; it was something that I inherited. There was a great deal of pushback against it—which, to be candid, I am not surprised about, given the nature of the reform that was on the table—and I got involved, including in discussions with the union representatives on how we could reduce the future liabilities for the organisation through the pension scheme, maintain investment in the gap in capital to pay pensioners and change pension schemes for new staff who were joining. On that, I got quite heavily involved.

Maggie Chapman: Did you ever suggest or think to suggest that it would be useful to have more direct involvement of staff and students in decision making at different levels of the university? Given the lack of trust and the concerns about transparency, openness and information flow—communication—about which the committee has heard and which are apparent from spending any time on campus, did you ever think that it might be better to have more people involved in the discussions, to share more information and to hear different ideas about different ways of navigating through difficult times?

Professor Gillespie: We did that with the reform of the three schools into one, where there was a long series of meetings involving staff and

students on what a new combined school, as it was called at the time, might look like. There was significant involvement of staff and students in the development of the strategy. We introduced a staff survey “You said, we did” mechanism to try to take better account of staff views. That was done—forgive me on exact dates—two years into my tenure.

Maggie Chapman: There is a report that was produced following the restructuring, which had some pretty robust recommendations for university management about improving communications, openness, transparency and the flow of information. It appears that, over the past couple of years, none of those recommendations was implemented. I challenged the UEG on that previously. Do you recognise that more should have been done to improve some of that and that it might have led to some of the financial questions being raised and, possibly, dealt with earlier?

Professor Gillespie: On the first part of your question—should we have engaged more with staff and students—I recognise that that would have been a positive thing to do. There was involvement but it was never enough. There should have been more. I do not know whether that would have led to better decision making on finance and other issues.

Maggie Chapman: If you had become aware of accusations or claims of misogyny and homophobia across the institution, regardless of who was making those accusations or being accused, what would you have done?

Professor Gillespie: I would have asked for advice from the university deputy secretary on the extent to which there was substance to them.

Maggie Chapman: So you would not have perhaps reflected that that might indicate something about the culture of the institution: that, notwithstanding any individual or specific issues, there might be a broader cultural issue.

Professor Gillespie: I reflected deeply and often on the culture of the University of Dundee. Again, when I first joined the university, it was just after a survey had been done on racial discrimination. It was clear that the University of Dundee had a number of ingrained racist elements, which was why we moved forward to establish membership of the race equality charter, with an action plan on race. We also looked at how we could ensure that other protected characteristics such as disability were given appropriate focus across the university.

If I can, I will answer what I think might be an underpinning question: did I think that the University of Dundee had across it a healthy culture? I think that the university continued to have a culture of “Keep your head down; there’s

too much blame around”, and that there is insufficient—well, it is not as open an institution as it ought to be. We tried very hard to shift that culture, which is, I am sorry to say, a legacy that the university has had for some time.

Maggie Chapman: Do you accept, as the leader of the institution, that it is leadership that dictates or directs an institutional culture? It might have had that culture for some time, but you were not there for just a couple of months. There was perhaps time to shift that, yet it appears to have got worse.

Professor Gillespie: I am not sure whether or not it got worse. I certainly tried to shift it by trying to be open and visible, and engaged. I probably did not make as much progress on that as I would have liked to have done.

Maggie Chapman: I have two final questions. Who took the decision to advertise for a rector’s assessor using a recruitment agency, rather than using the established practice whereby the appointment is in the gift of the rector, in discussion with the students association?

Professor Gillespie: Goodness me—that is a detailed question. The issue was dealt with by the university secretary’s office, so it would be the university secretary and the deputy university secretary who—

Maggie Chapman: So you were not involved in that decision, as far as you can recall.

Professor Gillespie: I am sure that there was a discussion in which they said, “This is what we’re going to do” and I said, “Well, why are you going to do it?”, but I do not recall the specifics of it.

Maggie Chapman: The Gillies report clearly states:

“The failure of the University’s financial governance system was self-inflicted and experienced multiple times and at multiple levels.”

Who should pay for that self-inflicted failure?

Professor Gillespie: Sorry, could you—

Maggie Chapman: Who should pay for that self-inflicted failure?

Professor Gillespie: What do you mean by “Who should pay”?

I have paid, in that I have lost my job. You might all say that that is not enough, but that is—

Maggie Chapman: You lost your job with six months’ salary—

Professor Gillespie: That is contractual.

Maggie Chapman: That is cold comfort to the nearly 700 people who still have the threat of compulsory redundancy hanging over them.

Those 700 people have devoted a lot of their time to the institution, and they live in Dundee or the wider region. It is devastating not just for those individuals but for the city and the wider communities. Should they pay? Is that fair?

Professor Gillespie: I think that I have answered the question, in that I have paid by taking responsibility and leaving.

The Convener: We are two and a half hours into our committee meeting. Other members are now going to come in so that everyone has a chance to speak

However, I am sat here listening to you and looking at you, Mr Gillespie, and something has just come to me. What is your strategy today? What did you come in here to achieve, and do you think that you are achieving, and will achieve, it?

11:00

Professor Gillespie: My strategy today was to come and be as open and as honest as I can be, accepting the fact that there are some elements of detail that I do not recall.

The Convener: Do you think that you have been as open and as honest as you can be?

Professor Gillespie: Yes.

The Convener: That is not the view from this side, anyway. You have—

Professor Gillespie: I am sensing that.

The Convener: You have had to be challenged a few times; you have had to update your evidence.

Let us get back to some of the other issues. I turn to the Gillies report. Do you know how many times it says that the principal could have been aware, should have been aware or was aware? How many times is that sentence repeated in the Gillies report?

Professor Gillespie: I have not counted it, but many times.

The Convener: A dozen times. I counted it—it did not take me long. I would have thought that, if I was the principal and the report was largely about my leadership, I would look to see how many times a phrase like that was included. Do you just not care?

Professor Gillespie: I think that you are misreading this. I care very, very deeply, like all my colleagues who sat on this side of the inquiry.

I appreciate that that is cold comfort. The report is extremely painful for all of us. It is extremely painful to read and reflect on, and it is extremely painful to understand the level of our failure. That is what you see here: someone who is feeling a

great deal of pain and a great deal of regret, and who is very, very, very apologetic for the way that we ran the affairs of the university. It is not about not caring—it is quite the opposite.

The Convener: That is probably the furthest that you have gone in more than two and a half hours of evidence. I wonder why it has taken us that long to get that amount of contrition from you.

The reason that I made that particular point about how often that phrase is repeated in the report is because, throughout your evidence today, you have tried to blame the information that you were provided with. You have said that you were not given the proper facts and figures to see those issues occurring on the horizon, to stop them from happening or to deal with them promptly.

However, Gillies says, a dozen times, that you could have been, should have been or were aware. How do you respond to that?

Professor Gillespie: I have to accept “should have”—there are many things that I should have done but did not do, and similarly with “could have”. On “were aware”—well, being aware and understanding the implications are not the same thing.

What I read into the report is that our financial management across our university and in our team, including mine, was very poor. Is there contrition for that? Yes, there is deep contrition for that.

The Convener: Pamela Gillies says that in the light of all the evidence that was provided, and in the light of seeing what you were provided with by finance teams, by interim and full finance directors, by your chief operating officer and by your deputy vice chancellor.

Pamela Gillies knew all the information that you were provided with, and she still says, a dozen times, that you, as the principal, should have, could have and would have been aware of those things, but you are telling us today that, on many of those occasions, you were not.

Professor Gillespie: I am telling you today that, on many of those occasions, I did not understand the implications of some of that material.

Miles Briggs: Further to that line of questioning, I want to return to what is a huge black hole in reporting to the Scottish Funding Council. Were you aware of the duties for your organisation to report the financial strain that the organisation was under?

Professor Gillespie: My understanding of my obligations was not detailed. I will be honest—I relied on my finance function and my governance

function to advise me on when we should be communicating with the Scottish Funding Council.

Miles Briggs: At what point were you aware of needing to provide that information? Was it only at the very end, with the letter that I have here from your chief operating officer, which says:

“The Principal has asked that I drop you a line”?

Was that the point at which you were aware of all those duties?

Professor Gillespie: My understanding that we had real financial issues, including around the covenants, that we needed to report to the Scottish Funding Council and that there were things that had not been done came near the end—that is true.

Miles Briggs: From reading Professor Gillies’s report, I note that she and the investigation team found it really difficult to get the paper trail. The report states:

“The Principal either was made aware or should have been made aware of the potential breach and a judgement made of whether to report this to the SFC.”

It feels as though a lot of that information was not being written down and could not be accessed. You said that you prefer to have conversations. Is it fair to say that conversations were being had with other professionals whom you expected to take forward the work? Have you ever asked the chief operating officer or anyone else in the institution to limit the information that was being sent to the Scottish Funding Council?

Professor Gillespie: To answer your last question, absolutely categorically not. You commented that I prefer conversations.

Miles Briggs: You said that yourself.

Professor Gillespie: I like conversations—I do like to explore things.

In relation to what I knew and what I should have known—

Miles Briggs: That does not really work for financial management of institutions.

Professor Gillespie: That is a failure, then.

Miles Briggs: Absolutely.

Professor Gillies was trying to seek information during the time that she spent with you, but you have no diaries of any of those conversations. If the Scottish Funding Council had been made aware, that could have acted as the canary-in-the-mine moment, rather than ending up where we are. It feels as though there was probably some cover-up internally within the university to prevent external organisations that wanted that information from being made aware of it. Is that a fair comment?

Professor Gillespie: Sorry, could I ask you to repeat that, please?

Miles Briggs: From reading the report, it seems that if the Scottish Funding Council—and the Government, to be frank—had been aware much earlier, action and processes would have kicked in quite early. It feels like that is something that you did not want, or that the university senior management clearly did not want, to happen. We cannot get to the bottom of who was covering that up and stopping the flow of information. I do not know whether it was you, because you were out of the country most of the time, by the looks of things, but the senior management team must have been sharing that cash-flow information.

How many times a week did you meet your chief operating officer? Was it just a brief meeting when you were back in the country? I cannot understand why none of that information was available.

Professor Gillespie: I was unaware of the information. I should have been aware of it. It is on me that I was not aware of it, but I was not aware of it.

As far as meeting the chief operating officer is concerned, I had weekly meetings with the chief operating officer and the deputy vice-chancellor. I would see the chief operating officer more frequently than that, because we were on the same floor. If there was any—

Miles Briggs: Was breach of covenants raised at any point?

Professor Gillespie: The very first time that breach of covenants was raised was in the conversation that I have already reported to you. I was with Peter Fotheringham and Shane O'Neill in my office after Peter had indicated his departure. It was a general catch-up with him prior to his departure—I was having more catch-ups with him—and I raised the question of our covenants. That was the first time.

Miles Briggs: What date are you suggesting that that took place?

Professor Gillespie: It was at the end of September or the beginning of October—roughly two weeks before the finance and policy—

Miles Briggs: Of 2024?

Professor Gillespie: Yes, exactly. I cannot remember the exact date.

Miles Briggs: In that whole period, from July 2023 to then, you were not involved and there was never a mention of anything.

Professor Gillespie: On covenants? No.

Miles Briggs: That is pretty amazing.

Professor Gillespie: That was the very first conversation. As I said to you before, the Gillies report talks about the covenant issue the year before, but I had no awareness of that.

Miles Briggs: In relation to the questions that my colleague Michael Marra put to you about the money running out at some point, at no point did you ask, "Where are we with the creditors?" You were not aware of the concerns that they clearly had.

Professor Gillespie: I go back to my answer to Mr Mason's question about how much I paid attention to covenants. If my recollection is correct, I said that we were not paying that much attention to covenants, because I had not properly understood the responsibility, on covenants, relating to a revolving credit facility that we were not drawing on. Therefore, I asked the finance director to educate me on that. Earlier, you asked me about my areas of weakness—I think that that was the word that you used; in this case, I would say that it was ignorance—and that was one of them.

Miles Briggs: Thank you.

The Convener: One of the issues that we discussed in some detail yesterday—you will not be aware of this, because you did not watch our meeting—was the lack of management accounts going to the university executive group. The accounts for periods 9, 10 and 11 were produced in draft but were never finalised in papers that reached the university executive group. You were the chair of that group. Is that correct?

Professor Gillespie: That is correct.

The Convener: Why were those papers produced in draft but not provided to the membership of that group?

Professor Gillespie: I constantly pushed the finance directorate to bring management accounts to the group, and papers were often—

The Convener: Peter Fotheringham disobeyed you.

Professor Gillespie: Sorry?

The Convener: Did Peter Fotheringham disobey you?

Professor Gillespie: Pushing for something in an organisation such as a university and delivering an instruction that is obeyed or not obeyed are two different things. I was pushing for something—

The Convener: If it happened once, you would not be happy, but it happened again and again. I am sorry, but I do not believe that you constantly asked for those papers. You accepted that they were never going to come to your group. Why did they not come? Just be honest and tell us.

Professor Gillespie: They did not come because they were not being prepared by the finance department. There was no attempt by me or anybody else in the group to hold anything back.

The Convener: The papers were prepared in draft. On page 33 of her report, Professor Gillies said:

"P9, P10 and P11 management accounts (April, May and June 2024) were produced in draft but never finalised into papers that reached"

the university executive group.

"It is not clear why this happened or who decided that these papers would not be provided."

The papers were prepared in draft, so why were they not provided?

Professor Gillespie: My understanding is that the papers were prepared in draft by one of our colleagues in the finance department for her director to produce for the UEG. I did not know until after Peter Fotheringham had left that those papers were prepared in draft but were not coming to the group.

The Convener: You did, because they did not appear.

Professor Gillespie: I did not know that they had been prepared in draft.

The Convener: You must have wondered where they were, because you had the papers for period 7.

Professor Gillespie: I did wonder where they were. I said, "When are we going to get them? Are we going to get them soon? Can we get them sooner, please?"

The Convener: Over the past couple of days, I have spent several hours with you and Peter Fotheringham. If you, as the principal and vice-chancellor, asked Peter Fotheringham for something, I do not believe that he would not provide it—certainly not over the course of three months.

Professor Gillespie: I sometimes struggled to get papers out of my—

The Convener: Were you worried about what was in those draft papers, so you did not want them to go to the university executive group?

Professor Gillespie: Absolutely not. Earlier, someone asked me—I forget who it was; it might have been Mr Mason—whether I had conversations with Peter Fotheringham about what was in the management accounts before they went to the UEG. My answer was that I did not, but I should have done. That would have helped, as I could have said, "Where are they? Show me them, Peter. Let's put them to the UEG."

However, I did not have that conversation, so what came to the UEG was what came to the UEG.

John Mason: Yesterday, it was suggested that the finance department was underresourced. As the university grew, there was, I presume, more work. Were you aware of that? Were you ever asked for more resources for the finance department?

Professor Gillespie: The part of the finance department that was discussed with me was research finance, which is the part that deals with incomings and outgoings for research grants. That area of the finance department was regarded as being weak and in need of reform. I come from a research background, so I pushed at that; however, beyond that—around treasury functions and functions of the individual business units—when I asked the question, "Do you have sufficient resources?", the answer was yes. I was not getting the answer, "We are hugely underresourced and you need to help us."

11:15

John Mason: We got the impression that there were some long-term sickness and other issues, so the department felt under pressure. If the finance director had wanted one or two more staff for the finance department, how would they have gone about that? Would they have come to you or the chief operating officer? How would that have worked?

Professor Gillespie: Normally, a paper would go to the PRG—the policy and resourcing group—which is the committee that looked at resource expenditure. That was chaired by the COO and the deputy vice-chancellor.

John Mason: If the finance director had been working in the evening or at weekends because they were under pressure, would you have known about that? Would you have picked up on that?

Professor Gillespie: Only if he had told me.

Michael Marra: This has been a catalogue of incompetence. Today's meeting has been littered with the phrases "should have" and "could have". Your successor, Shane O'Neill, has now left his post as principal because he is deemed to have been complicit in the debacle of your leadership and what has happened. Your predecessor but one—there was a small interim period within that—Andrew Atherton, also had to leave his position.

Do you think that there is a structural problem such that we cannot get proper leadership for this outstanding group of staff and students?

Professor Gillespie: I think that a lot of the structural problems are about people—me and

others. Many have left. If we look at the University of Dundee now, there is almost no one on the executive group who was there when I was there.

The university has accumulated bits over the past few years. As we have talked about a lot here, and many times before, the university is very asymmetrical in its performance.

Michael Marra: Are you saying that it is a job that people do not want to do because it is too difficult? Not to put too fine a point on it, is that why we ended up with you?

Professor Gillespie: You would have to ask the ex-chair of court, Ronnie Bowie, why they ended up with me. It is difficult to attract people into an organisation that is financially challenged, that is as asymmetrical as the University of Dundee is, and that has gone through not only 17 senior staff but quite a number of principals in the past few years.

Colleagues in court and beyond—perhaps including MSPs—should make the effort to find a really outstanding leader for the future of that fantastic university. If you can, I think that you should all collaborate on that.

Michael Marra: On a more detailed point, at what point were you told or did you realise that the Exscientia money—£40 million—had been spent?

Professor Gillespie: My assumption, and that of the court and everybody else on the UEG, was that it was ring fenced. Of course, nowhere in the accounts was it ring fenced, and management and governance should have seen that it was not ring fenced. Maybe it was a delusional belief that it was.

The point at which I understood that it was gone was the day of the court meeting when I revealed that.

Michael Marra: What day was that? Can you give us even the month?

Professor Gillespie: November.

Michael Marra: The finance and policy committee papers of 21 May showed that the moneys were no longer ring fenced and formed part of the year-end cash. Were you aware of that at the time?

Professor Gillespie: I missed that at the time.

Michael Marra: You missed that.

Professor Gillespie: Yes, I missed it.

Michael Marra: Yesterday, we had an exchange with Jim McGeorge, who said that he also did not realise that the money had been spent. Peter Fotheringham said that it was a surprise to him that anybody did not know and that

the university was never generating enough cash to spend on its fixed-assets programme.

The Gillies report makes clear that you and the chief operating officer were spending money hand over fist—it was flying out the door on staff and capital. You are smiling wryly, but it was a clear pattern of behaviour from you all.

Professor Gillespie: It is a grimace of pain, because it is true.

Michael Marra: You did not have the money to pay for it. You had been told in May that the money had gone, but you just had not read it. Where did you think that the money was coming from?

Professor Gillespie: I say again: none of us in the executive group—save Peter Fotheringham—understood that the money had gone.

Michael Marra: That was in the report, though. It was not a case of the report not being produced; it had been sent to you all.

Professor Gillespie: I am not denying that it was in the report. I am saying that we did not see it.

Michael Marra: You talked about the financial situation on emergency UEG away days in the spring. At that point, did you not think to inquire about any of that?

Professor Gillespie: We never discussed the Exscientia money.

Michael Marra: Okay.

The Convener: This is extraordinary. You just said that you first knew that £40 million had been blown and was no longer ring fenced on the day of the meeting in which you told the court about the £35 million to £40 million shortfall. That morning, you woke up thinking that you would go to court and tell them everything was fine. Between waking up and going to court, you found out that you had lost £40 million. Is that your evidence? That is not credible.

Professor Gillespie: But it is true. The interim finance director had spent the weekend going through the numbers in great detail. She came into my office with some of her team and the chief operating officer and they said, “We have some news that you are really not going to like.” I said, “Okay, tell me the news.” They said, “The Exscientia money is gone. The deficit for the university is not the £1.2 million that was written in the short report that went to the finance and policy committee.” I had only looked at the report’s introduction, but they said, “If you look far enough into the annual report, it shows a £12.1 million deficit. We have a very significant hole in our funds going forward.” As unbelievable as that is, it is the truth.

The Convener: You left the university on Friday and had a weekend at home, thinking that your challenge as principal and vice chancellor would be to save £1.2 million, because that was your deficit. You went in on Monday morning and your interim finance director spoke to you—I assume that you mean Helen Simpson.

Professor Gillespie: Yes.

The Convener: She told you that the deficit was somewhere between £35 million and £40 million.

Professor Gillespie: No, that is not what I said. You asked me about the specific Exscientia money, which I was not aware of. As far as I understood it—because this is what the summary papers said—the previous year's £1.2 million deficit was now £12.1 million. Before Helen Simpson had come, I had already worked out with the university leadership group that we had a £35 million hole, which I had told the chair of council.

The Convener: However, you believed that you still had £40 million that you could perhaps use to fill some of the gaps, even though it was ring fenced, but you were then told that it had all gone.

Professor Gillespie: Correct.

Joe FitzPatrick: I am just trying to understand the numbers. I have a piece of paper that shows the introduction to the draft audit, on which you had handwritten something in order to try and change some of the auditor's words. It says very clearly at the very bottom—this goes back to 2023-24—that:

"adjusting for non-recurring items, the underlying operational position is a deficit of £11.5 million."

I do not understand why the urgency of the situation was not realised. We have heard about the £1.2 million figure, but that document talks about £11.5 million. You said that you were not aware of that, but it is there in black and white, and you have not tried to change that bit.

Professor Gillespie: I have not tried to change anything in relation to the narrative. The finance director's report to the finance and policy committee and to the court talked about a £1.2 million operating deficit for the year—forgive me; it might have been £1.3 million. That is the figure that the executive group and I fixed on. We failed to read the detail of the overall accounts and see the other number. That was a failure—one of many.

Joe FitzPatrick: When something from the auditors flags up the figure of £11.5 million—you have written on it, so you definitely read it—I just do not understand how you could think, all of a sudden, that the deficit was less rather than more, in spite of £40 million managing to disappear without anybody in the executive team being

aware of that. I hope that you can understand that it is really difficult for us all to understand how this happened, given that the evidence that we have shows that you had so much information that showed that things were not adding up to the figure that you used. How could you have come up with the figure of £1.2 million when everything was showing that the situation was much worse than that?

Professor Gillespie: Of course I understand that. I have looked at the forensic analysis that was done by Pamela Gillies and her colleagues. If I had one wish in the world, it would be that I had commissioned that work 18 months ago, but that did not happen. I am explaining to you what we believed to be the position, which was clearly wrong. We simply did not have the time or the bandwidth to read through the material in enough detail, and we trusted the team to accurately present what was going on. That was a failure.

The Convener: I have to draw the meeting to a close, because we have to conclude before parliamentary business begins in the chamber, but I want to put a couple of final points to you. In response to Miles Briggs, you said that you were honoured to be appointed to a great university. After four years of Iain Gillespie being in charge, is it still a great university?

Professor Gillespie: It is still a great university. It is a great university with many challenges.

The Convener: Caused by you.

Professor Gillespie: My team and I have produced many negatives in that regard, but the university also won the award for the university of the year a couple of times. Its rankings have improved—they sank but then came back up again—and student satisfaction has improved. The university has done many good things, but it should have been able to do greater things. I take responsibility for that not being the case.

The Convener: I am certain that it will continue to be a great university, but that will be in spite of, rather than because of, your time in charge.

I and several other members asked whether you would pay back the £150,000-plus that you received as a pay-off for leaving. You said that you would reflect on that. This will perhaps be the last time that we hear from you in public—certainly in a setting such as this—so I will give you a final opportunity to say whether you think, having reflected on the questions that you have been asked over the past three hours, that it would be right for you to hand back the money. You do not deserve it.

Professor Gillespie: As I have said, I will take that point away and reflect on it with my family.

The Convener: Having read the entire report and everything that has been written about this, and having listened to staff, students and whistleblowers who have revealed some of the graphic details of what went on, I am led to only two final conclusions: you were either incompetent or corrupt. Which was it?

Professor Gillespie: I was certainly not corrupt, so I will have to choose incompetent.

The Convener: I am grateful for your time today. I understand that this will not have been easy. I hope that, in some ways, you have been able to put your side of the argument. It is for others to judge the merits or otherwise of what you have told us and what other witnesses have told us. The matter certainly had to be thoroughly investigated and interrogated. You have been part of that by making yourself available today. For that, I thank you.

I thank members for their patience this week, which has been very busy for the committee, especially given the education matters that have been discussed in the chamber.

Meeting closed at 11:30.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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