

Education, Children and Young People Committee
Wednesday 25 June 2025
22nd Meeting, 2025 (Session 6)

University of Dundee

Introduction

1. Following ongoing press reports, the Committee has arranged this session to hear from former staff at the University of Dundee regarding the causes of the current financial position at the university.

Committee meeting

2. At today's meeting, the Committee will take evidence from:
 - Peter Fotheringham, former Director of Finance;
 - Dr Jim McGeorge, former Chief Operating Officer;
 - Amanda Millar, former Chair of Court.

Committee consideration

3. The Committee took evidence on the reports of significant job losses and concerns about the university's future financial sustainability at its meeting on 19 March 2025 from the following witnesses:

Panel 1 – University of Dundee

- Professor Shane O'Neill, Interim Principal & Vice-Chancellor;
- Tricia Bey, Acting Chair of Court;
- Professor Blair Grubb, Vice-Principal (Education);
- Helen Simpson, Interim Director of Finance.

Panel 2 – Scottish Funding Council

- Francesca Osowska, Chief Executive;
- Richard Maconachie, Director of Finance;
- Jacqui Brasted, Interim Director of Access, Learning and Outcomes.

4. The Official Report and papers for that meeting are on the [website](#).

Independent Investigation

5. On 25 March 2025, the Scottish Funding Council announced the [Terms of Reference](#) for an independent investigation, to be led by Professor Pamela Gillies, into the Financial Oversight and Decision-Making at the University of Dundee.
6. On 11 April 2025, the [Scottish Funding Council wrote](#) to the Committee regarding the appointment of a team of experts, BDO, who would undertake the work as part of the independent investigation. The letter stated that BDO 'will have full access to all appropriate documents and will be meeting with a wide range of people including the University's executive team, trade unions, regulators and, where possible, former members of staff and Court'.
7. The [final report of the investigation](#) was published on 19 June 2025.

Supporting information

8. A SPICe briefing has been produced for the meeting. This is included at **Annexe A**.
9. Professor Wendy Alexander, Baroness Alexander of Clevedon, former Vice-Principal (International), University of Dundee has provided written evidence ahead of this meeting. This is included at **Annexe B**.
10. The Committee wrote to the University of Dundee seeking the documents below. At the time of publishing papers, these documents had not been received and are therefore not reflected in the SPICe briefing.
 - A report by AAB Audit & Accountancy Limited into the causes of the university's financial position;
 - A report by AAB on executive expenses;
 - A letter from Ernst and Young as external auditors.

Next steps

11. The Committee will continue to take evidence on the University of Dundee at its meeting on 26 June 2025.

Clerks to the Committee
June 2025

Annexe A

SPICe The Information Centre
An t-Ionad Fiosrachaidh

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Introduction

This SPICe briefing has been prepared ahead of the Committee's evidence session with current and former senior staff members of the University of Dundee (UoD).

The briefing summarises previous evidence heard and sets out information on recovery planning, the independent investigation into UoD's finances, the Scottish Government's taskforce, and known details around additional funding.

Summary of evidence heard

The Committee held an evidence session about the University of Dundee (UoD) [on 19 March 2025](#), hearing from senior figures from the UoD during the first panel and senior SFC figures during the second.

During the session, UoD Interim Principal and Vice Chancellor Professor Shane O'Neill described the university's financial issues as a "crisis". He said the main external and internal factors leading to this were: a fall in international student recruitment; inflationary pressures; the rise in national insurance contributions; "Inadequate financial discipline and control of investment decisions" at UoD; "Weak compliance and a lack of accountability at times in financial control"; "...inadequate oversight at executive and court levels of our financial position, not least in ensuring that strategic ambitions were underpinned by financial rigour."; and a long-standing issue of a 'structural deficit' at the university, due to cross-subsidy of research.

Professor O'Neill said that UoD and the Scottish Funding Council (SFC) were about to publish Terms of Reference an independent external investigation to investigate the reasons for the crisis. [Note: Following the evidence session, the decision was made for SFC to commission the independent review alone, rather than in partnership with UoD as originally planned.]

On the need for an investigation, Professor O'Neill said:

"Without pre-empting the outcome, I can say that we would not be sitting here if better decisions had been made." – [Official Report, 19/03/25](#)

When pressed on whether there was incompetence at executive and court level, Professor

O'Neill said:

“There were gaps in the competence that you would expect in the leadership, yes.” – [Official Report, 19/03/25](#)

Professor O'Neill said that the scale of the deficit became clear in October or November 2024, and prior to this there had been some knowledge of financial pressures. An organisational restructure was being carried out by the executive group when the scale of the deficit became clearer.

He also stated his belief that he was the right person to lead the university at this time, stating the leadership team and executive group were “working very differently” and citing his reputation for “honest and authentic management”.

The UoD's recovery plan was discussed, and the Committee was told that the UoD had asked for £22m from SFC via the Scottish Government. This was for liquidity support in order to allow time to restructure and to borrow from commercial lenders. Without this funding, the university would run out of cash at the end of June this year and lawyers had advised the university that the possibility of insolvency must be kept in mind.

Professor O'Neill stated that the recovery plan represented what was believed to be “the most straightforward way of getting on to a more secure financial trajectory for the future” and was “very much written through a financial lens”. A number of Committee members and local and regional members attending the meeting expressed the belief that the initial recovery plan was unacceptable.

He went on to say that the plan focused on UoD “continuing as a recognisable entity”. However, other potential scenarios might be “a form of merger or break-up, or some other major structural change”, or the UoD ceasing to exist.

The Committee also heard that while the recovery plan proposed the loss of 632 FTE jobs, it was not known how many individuals would lose their jobs. [Note: This was later clarified in correspondence with the Committee as 700 individuals potentially impacted by redundancy. However, the initial recovery plan has since been superseded – this is set out in the ‘Recovery plans’ section of the briefing].

Professor O'Neill stated that the UoD's intention to recruit a transformation manager on a salary of over £200,000 per year would not be progressed. He also said that the number of senior level posts that would be lost had not been finalised, and a review of the leadership structures was ongoing. The impact of job losses on women and low earners was mentioned, and the suggestion was made that senior management could look at how they might share some of the financial pain. Professor O'Neill said this would be considered at executive level. The need to involve staff, students and unions in drawing up the terms of reference for the investigation was also highlighted.

On the fall in student numbers, UoD Vice Principal (Education) Professor Blair Grubb said there had been three elements that had impacted finances “quite significantly”:

“First, our taught postgraduate student numbers have dropped by about two thirds over two years, which has seriously impacted our income. Those are mainly international students who are part of our cross-subsidy model. Secondly, there has

been a big change in the number of students from the rest of the UK coming to Scotland. Part of that is down to cost-of-living pressures, and part of it is down to a change in behaviour at other universities, particularly south of the border, where they do not have student number caps and can recruit as many students as they want. Those universities are lowering their grade requirements and recruiting more students, which has had an impact on us. Thirdly, we missed our home target for Scottish students last year by about 150 students.” - [Official Report, 19/03/25](#)

Professor Grubb said that the UoD had planned for a 25% reduction in international student income for the current academic year, but the decrease at UoD was “closer to 50%”. The collapse of the Nigerian currency was later discussed one of the reasons for this. Professor Grubb added that the number of applications from home students for the next academic year was so far up 2.3%, while applications from the rest of the UK were up 3%. He added that though the current situation at UoD may impact recruitment, “cautious predictions” for student recruitment were that a modest increase was possible. For medicine and dentistry, application numbers were described as “absolutely on track”.

UoD Acting Chair of Court Tricia Bey said that there was a statement of going concern relating to the 2024 accounts at the university’s 22 October 2024 Audit and Risk Committee meeting. Two weeks later, on 12 November 2024, then-Principal Professor Iain Gillespie informed the University Court that there was a deficit of £30m and the Court was advised not to sign off the draft financial statements.

The UoD’s 2024 financial statements have not yet been published. When asked for an expected publication date, Interim Director of Finance Helen Simpson stated work was ongoing with auditors and it was hoped the statements would be submitted by the end of April this year. Talking the Committee through key points of the draft 2024 accounts, Helen Simpson said:

“At the end of July 2024, there was an operational deficit of £12.3 million. The university ended the year with just over £30 million in cash—a sharp decline from the previous year, and there had been a decline from the year before that—and an operational deficit of £12.3 million. It entered this financial year with an operational deficit, reduced cash, a budgeted deficit and a high level of savings assumptions.”

Helen Simpson stated that between the end of financial years 2023 and 2024, the cash balance dropped from just over £70m to just over £30m. She described this as “a significant drop” as part of an overall trend of declining cash.

When asked about £40m shown in the 2023 accounts as being held separately, Helen Simpson said this cash was used but could not say more than that as she was not in post at the time. She also stated that there were “write-offs of some aspects of capital investments” and would provide further detail on these.

The university’s previous Finance Director Peter Fotheringham left this post in early October 2024. The Committee heard that Helen Simpson became Interim Director of Finance at the end of October/beginning of November. Helen Simpson said that she raised concerns about the UoD’s financial position at the end of her first day, and on her second day. She also stated that two senior members of accounting staff had raised concerns with her.

In response to questions about the role of the University Court, Tricia Bey said:

“We were asking questions, and we were being told that, actually, things were fine. There was, until very late on, a high degree of confidence that we would reach and meet the budgeted amount.” – [Official Report, 19/03/25](#)

UoD representatives said that the planned investigation was intended to answer questions about who was responsible for misleading the University Court and others. Asked whether there were any elements of criminality involved, Professor O'Neill said:

“I am not an expert on criminal matters. I have not seen any such evidence, and nobody with any professional expertise in the area has alerted me to it. We are asking those questions, though, so we are open to that.” – [Official Report, 19/03/25](#)

Attendance at University Court was also discussed during the meeting. It was established that Professor Grubb and others who had regularly attended Court were asked not to attend from October 2023 onwards. Professor Grubb said the “more limited group” of university executive staff attended from then on. This group included the principal, the director of finance, the director of human resources and the deputy principal. This decision was likely to have been made by the Principal and ex-chair of court.

On the culture of the previous university leadership, Professor O'Neill said:

“Dissent was certainly not welcome, so there were issues in that regard.” – [Official Report, 19/03/25](#)

On the impact of cuts on teaching quality, Professor Grubb said that the total amount of teaching will be reduced, particularly in relation to optional models. Some loss-making programmes with low student enrolment – particularly postgraduate taught courses – will be closed, and optional modules reduced. The business school was highlighted as an area where there had been rapid growth in students, but numbers had since reduced leaving a need to look at the staff to student ratio.

When asked about funding for the Leverhulme Research Centre for Forensic Science, Professor O'Neill said that the 10-year grant from the Leverhulme Trust ends in summer 2026 and the centre cannot be kept open beyond that. He said UoD would manage the supervision of PhD students recruited within the past year once the centre closes. The centre currently employs 24 staff.

During the evidence session with SFC, Chief Executive Francesca Osowska gave a summary of the ongoing work being carried out with UoD, stating SFC's belief that the situation was unique to the university, despite financial concerns across the sector as a whole.

During the meeting, SFC announced that former Glasgow Caledonian University Principal Professor Pamela Gillies would lead the investigation into UoD's finances. There was discussion around the decision to have UoD “co-sponsor” the investigation into UoD and whether this might have an impact on findings and recommendations. [Note: Following the meeting, [SFC wrote to the Committee on 25 March 2025](#) to state that UoD would no longer co-sponsor the investigation after taking on board the Committee's feedback.]

Francesca Osowska said she was not sure the SFC investigation had the same powers to

compel witnesses to give evidence as a Parliamentary Committee, however it was her hope that former members of UoD staff will cooperate with the investigation. On engagement with unions, she said that points contributed by unions had been built into the terms of reference, and following the Committee's feedback SFC would seek further feedback from the unions.

SFC Interim Director of Access, Learning and Outcomes Jacqui Brasted said that the investigation was likely to take three to four months to report from the appointment of the investigations team.

SFC also stated that there had been no requests from other institutions for a share of the £25m additional funding provided to SFC. At the time of the meeting, UoD's request for £22m was to be looked at by the SFC board the following day. SFC's Finance Committee had recommended the request should be approved.

When asked where £10m of the funding had been 'reprofiled' from in the education budget, SFC's Director of Finance Richard Maconachie said:

"That is actually money from within our budget that we have managed to bring forward because of reprofiling in our spend. It would otherwise have been surrendered to the Scottish Government, but it said that we can keep it and put it towards this project." - [Official Report, 19/03/25](#)

The Committee later heard the £10m was a grant rather than a loan, though there may be conditions attached to it.

There was also discussion of whether the £22m requested by UoD would mitigate any of the projected job losses. Members were told that the £22m request was purely for liquidity support. Richard Maconachie said the £22m was:

"...the money to keep things moving at the moment. Any subsequent package is a totally different negotiation." - [Official Report, 19/03/25](#)

Francesca Osowska said that while UoD was currently unable to borrow money from lenders, they may be willing to engage "on the basis of a credible financial recovery plan". During discussion of the role of SFC and whether support could have been provided to UoD sooner, Francesca Osowska stated that SFC required certain financial information to be returned to them regularly, and systemic challenges facing the sector as a whole were known. Once SFC became aware of issues unique to UoD, engagement was increased. She also stated that, unlike other universities, UoD had not taken account of the impact of wider factors and adapted and changed their future visions and business plans in response, adding that SFC had not spotted this.

The Committee also heard that UoD was now required to provide SFC with monthly financial information, rather than quarterly.

Setting out the difficulties facing SFC in identifying problems, Richard Maconachie said:

"The issue for us, though, is that we are looking at, in audit terms, a systems audit. We look at the system and at what has been reported. We have to rely on the assurances that the universities give us, and we place faith in the assurance that the auditor gives us, that the external auditor gives us and that the information that is reported to us is fair and accurate. Where I think the University of Dundee differs

from all the other institutions—which we could talk about—is that there were fundamental failures of governance and control, which perhaps resulted in inaccurate data coming forward.” - [Official Report, 19/03/25](#)

He later stated that the financial information being provided currently by UoD was “of a high standard” and could be relied on.

On the subject of further improving SFC’s effectiveness, Jacqui Brasted said SFC was seeking to review its most recent governance effectiveness reviews, and this work was currently out to tender. Any issues identified during this review could then be followed up. Richard Maconachie said the idea of carrying out ‘hot reviews’ of universities’ finances was being discussed. This would see teams sent into universities to study how they are running. During the sessions, SFC and UoD representatives stated a willingness to take part in discussions around the future funding model of the sector.

Submission received

The Committee received a submission from Baroness Professor Wendy Alexander, who was Vice-Principal (International) at UoD from 2015 until November 2024.

In her submission, Professor Alexander states that toward the end of her time at the university she was no longer sighted or involved in key decision making and was eventually asked to leave the university around October 2024 after raising questions about finances. In common with the evidence given to the Committee by UoD’s senior management team, Professor Alexander cites external and Dundee-specific factors as being responsible for the financial difficulties facing the university. A failure to adequately respond to the change in international student recruitment, switching focus from international recruitment toward a globalisation strategy, the “by-passing of the University Executive Group” and changes to the dependants visa criteria at UK level are all cited as contributing factors.

Professor Alexander’s submission sets out a timeline of events from her perspective. It also includes extracts of emails sent by her to other senior staff within the university raising concerns about the direction of travel.

Recovery plans

Initial recovery plan

The University of Dundee published details of an initial recovery plan on [11 March 2025](#). In the initial plan, UoD leadership proposed:

- Significant restructuring of professional services and university faculties, with a 600 FTE reduction in staffing.
- The sale of property, intellectual property and share disposals.
- A new academic structure from eight academic schools to three faculties: Faculty of Arts and Social Sciences; Faculty of Engineering, Science and Allied Health; and Faculty of Medicine and Life Sciences.

- A review of teaching efficiency looking to achieve a 20% reduction in module delivery.
- Research reorganised into a small number of focused research institutes seeing to minimise institution funded research.
- A review of leadership, executive and governance arrangements.

Following the initial recovery plan, Scottish Ministers wrote to Professor O'Neill to express concerns. In response to an Urgent Question on job losses at the university, the Minister for Higher and Further Education; and Minister for Veterans Graeme Dey stated:

“The Cabinet Secretary and I wrote to the interim principal of Dundee yesterday to outline our deep concern at the extent of the measures that are currently being proposed by the senior management team. We stressed the importance of making every effort to minimise the impact on jobs and that compulsory redundancies should be considered only as a last resort after all other cost-saving measures have been fully exhausted.” – [Official Report, 12/03/25](#)

Following the Committee's March 2025 evidence session with UoD representatives, the university's [interim Principal and Vice-Chancellor Professor Shane O'Neill wrote](#) to provide further information on a number of points. In this letter, Professor O'Neill stated that around 700 individuals could be impacted by redundancy – the previous figure given was 632 full-time equivalent (FTE) staff. The letter states that the headcount impact cannot currently be confirmed because it was not yet known which staff members will be selected for redundancy.

Interim Principal O'Neill also stated in the letter:

- Modules for regulated professions (such as Nursing and Medicine) would not be changed.
- Subject areas within Business, Life Sciences, Humanities, Geography, Art and Design, Computing, Mathematics and Physics will have “module optionality” reduced “by 15%, with a 20% stretch target, so that we can better manage staff workloads going forward.”
- A method for evaluating module sustainability has been established, and this will be used to inform decisions.
- Potential savings made on staff wages during the first round of strike action are not yet known.
- The decision that Vice Principals were no longer permanent attendees at university court was communicated to Professor Grubb on 9 October 2023.
- FTE staff numbers increased from 3,025 in 2020-21 to 3,259 in 2023-24, and staff costs increased from £161.317m to £184.098m over the same period.
- A total of £7.02m of capital expenditure was written down or impaired between 2017-18 and 2022-23. This includes costs resulting from the identification of Reinforced

Autoclaved Aerated Concrete (RAAC) in three buildings; a building earmarked for demolition and a demolished building.

- A total of £7.832m was written down or impaired on “aborted software implementation projects” between 2016-17 and 2023-24. The letter states: “This equates to 38% of the capital expenditure on software projects over the same period”.
- Action to control costs in 2024-25 includes a recruitment freeze, tight controls on operating expenses, reducing capital expenditure and selling assets.
- 55 FTE senior leadership roles are included in the proposed Faculties restructure, amounting to £3.2m.

Following the publication of this letter, Scottish Ministers again publicly stated they did not support the proposed recovery plans. During [First Minister’s Questions on 3 April 2025](#), when asked about an updated recovery plan for the university, First Minister John Swinney said:

“I have made it absolutely clear that the original financial recovery plan is completely unacceptable and that there has to be an alternative. That work is under way. There were discussions this morning that have narrowed down some of the options that are being taken forward, and the Government will consider further proposals.” – [Official Report, 3/4/25](#)

The First Minister stated that Deputy First Minister Kate Forbes is leading cross-government work with the Cabinet Secretary for Education and Skills, the Cabinet Secretary for Health and Social Care (given the significance of life sciences in the university), and with the Cabinet Secretary for Justice and Home Affairs (in relation to the university’s Leverhulme research centre for forensic science).

Alternative recovery plan

An [updated recovery plan was announced by UoD](#) on 29 April, following presentation to and endorsement by the University Court. Key elements of the updated plan are as follows:

- Reduction of up to 300 staff FTE through a voluntary severance programme, which will follow Fair Work principles.
- Continue the ongoing work on a range of non-staff cost reductions.
- Move to a new operating model based on the reconfiguration of academic units and professional services, following best practice in the sector to ensure effective leadership, integration and collaboration.
- Engagement with the Advisory Task Force to ensure that opportunities to bolster income generation are grasped and that the reputation of the University is enhanced.
- Consolidate efficiencies through delivery of a revised estates strategy.
- Working with lenders to secure access to commercial finance.

- University to review at key milestones on the proposed pathway progress on cost control, student numbers and income resilience.
- University to reset the vision and approach to financial recovery should further actions to address any residual structural deficit be necessary.

It is not clear from the available information whether the original plan to move from eight academic schools to three faculties remains under consideration – only that there will be a “reconfiguration of services”.

The update also stated:

“The proposed route forward will require significant additional public funding. We are engaged in discussions, through the Scottish Funding Council, as we look to secure that support over the next two years, including any related conditions and assurances. Further liquidity support funding may also be required.” – [Towards a financial recovery plan, University of Dundee](#) (updated April 2025)

[SFC responded to the updated plan](#) recognising its details “are still to be finalised” and committing to continuing to work with UoD.

Additional funding

During the Stage 3 debate on the 2025-26 Budget on 25 February 2025, Cabinet Secretary for Finance and Local Government Shona Robison announced additional funding for SFC:

“I can inform members that up to £15 million of financial transactions will be made available to the Scottish Funding Council to support the sector and universities such as the University of Dundee. Further work on the matter will be on-going in the coming weeks, and the Minister for Higher and Further Education will keep Parliament updated.” – [Official Report, 25/02/25](#)

The £15m of financial transactions was not allocated to the UoD at that stage.

On 14 March, [the Scottish Government announced £10m further funding](#) for SFC to support higher education institutions. Again, this additional money was not allocated to UoD at that stage.

During the Committee’s 19 March 2025 meeting with UoD representatives, interim Principal Shane O’Neill said that the UoD’s recovery plan sought liquidity support funding of £22m.

On 20 March 2025, [SFC announced a support package of £22m](#) for the UoD. This funding is a mix of low-cost loans and capital grant.

During the [Committee’s 11 June meeting](#), Minister for Higher and Further Education; and Minister for Veterans Graeme Dey said that on 28 May, SFC received a further financial ask from UoD. He said the Scottish Government was formally notified of this on 6 June and it was being worked on “at pace”. The additional money requested was to enable UoD to reduce the number of job losses from 600+ proposed in the original recovery plan and to boost liquidity.

When asked if the additional figure requested by UoD was £100m, the Minister said he would not “get into specific numbers”.

On the pace of plans going forward, the Minister said:

“We ought now—famous last words—to be capable of moving into a phase in which a greater pace will be injected into taking the issue forward. Clearly, we now have an ask that we can assist the university with in whatever form. The voluntary severance scheme has finally been launched, which will allow that element to be progressed.” – [Official Report, 11 June 2025](#)

Independent investigation (Professor Gillies report)

Terms of Reference

[SFC published the Terms of Reference for the independent investigation](#) into finances at the UoD on 25 March 2025. While initially, the investigation was to be jointly commissioned by SFC and the university, following the Committee’s March evidence session this [decision was reversed](#) and SFC became the sole commissioner.

Timeframe and investigation team

As announced by SFC at the Committee’s March 2025 meeting, former Principal at Glasgow Caledonian University [Professor Pamela Gillies](#) has been appointed as the independent investigator. SFC published the [Terms of Reference](#) on 25 March 2025, and this stated it would ask the investigator to work to complete the investigation and submission of the final report within two months of the investigation team being appointed.

On 11 April 2025, SFC announced the appointment of the investigations team:

“...the Scottish Funding Council (SFC) has appointed a cross-discipline team from the international professional services firm, BDO to carry out the probe.” – [SFC news release, 11/04/25](#)

On 23 April 2025, [Professor Gillies wrote to Committee members](#) setting out further information about the timeline and engagement plans of the investigation. This set an expected publication date of 19 June 2025 for the final report.

Professor Gillies also stated awareness of the Committee’s plan to take further evidence on the UoD finances. On this she stated:

“To enable the Committee to reach its conclusions with access to as much information as possible, it may be preferable to wait until the report is available before holding further evidence sessions.” – [Professor Gillies correspondence with Committee, 23/04/25](#)

Areas for investigation

The investigation focused on three main areas:

Financial management: Causes of the worsening financial situation and the balance between external factors of income generation such as international student numbers and internal governance and cost control; the extent to which budgets were building in unrealistic savings and/or income targets and the impact of this; the reasons cash was allowed to deteriorate to “critically low levels” and money believed to be ringfenced for

future projects was not invested; whether investment decisions were appropriately agreed; and the effectiveness of internal systems and controls.

Financial reporting: Why signs of financial distress were not reported to the UEG and Court until November 2024; why key stakeholders were not informed; the quality of information provided to UEG and Court and the impact this had on understanding of the university's financial health; the extent to which any current or former members of the executive group or governance structures "sought to suppress information about the magnitude of the financial situation"; and the extent to which any staff member felt unable to raise concerns about the financial situation.

Governance and oversight: The awareness of UEG and Court about the worsening financial situation and how they could have and should have been aware; the extent to which it may have been possible to reach a judgement that the university's financial position was worse than in the reports provided to UEG, Court and others; whether there was a failure of governance at any level; and whether any governance failures have impacted the ability since November 2024 to address the financial situation.

Any issues emerging during the investigation itself may also be examined.

The ToR set out that the investigators may carry out interviews of university staff and court members. Those who are currently employed by the university but not at work for any reason can also be interviewed. On former staff, the ToR states:

"Where possible, the Investigator and team will be encouraged to speak with former members of staff." - [SFC ToR, March 2025](#)

Trade unions, regulators, contractors and wider stakeholders were expected to be consulted during the investigation.

Report findings

The [report on the investigation was published on 19 June](#). It found that ineffective internal systems of financial monitoring and control, along with failures in governance, executive responsibilities and organisational culture contributed to the university's financial collapse in FY2025.

The report sets out that UoD's underlying operational deficit worsened year on year from FY2022:

- FY22: £2.6m deficit
- FY23: £7.4m deficit
- FY24: £14.2m deficit
- FY25 (forecast): £34.3m deficit

Cash reserves fell from c.£100m in January 2023 to c.£32m by July 2024, with a forecast of being overdrawn by £1m by July 2025.

The report summarises failures in executive and governance responsibilities on page 53:

“UEG [University Executive Committee] as a group failed throughout the latter part of FY24 to properly respond to the worsening situation and collectively failed to make appropriate disclosures under the Nolan Principles to FPC [Finance and Planning Committee] and Court.

FPC failed in its reviews of FY24 forecasts for FY25 (21 May 2024), and again at its following meeting on 10 October 2024. There was no unexpected event or culmination of unexpected events beyond those impacting the sector as a whole. The University was not ‘different’. This was an embedded issue and was reasonably foreseeable in May 2024.

Court failed in its governance responsibilities in June 2024.

The failure of the University’s financial governance system was self-inflicted and experienced multiple times and at multiple levels. This led to a failure in identifying the worsening situation and not responding early enough.” – p53, [Investigation report, 19 June 2025](#)

Issues highlighted in the report include:

- The failure of UoD to respond to changes to the international student market because of changes to UK government policy on dependents, the devaluation of the Nigerian currency and a drop in UoD’s world league rankings including UoD falling outside the HE Times university ranking top 250 – a development the report states will have “directly impacted recruitment from China and India” (p13).
- £40.3m raised from the financial year (FY) 2021 sale of university spin-out Exscientia was ringfenced for capital spending but was never used for this and “it is evident that none of the ‘ringfenced’ cash now remains” (p22).
- UoD did not take opportunities to change its spending plans – e.g. the report highlights that in January 2024 when the fall in overseas postgraduate taught students (OPGT) became apparent, recruiting 393 students rather than the expected c.1,200, UoD could have put in place measures such as a recruitment freeze, but this did not happen. Instead, the report states: “Opportunities to make savings through unfilled vacancies were not taken and new posts were added with no budgets, and staff FTEs increased 8% from 2,984 to 3,230 from FY22 to FY24. There were 862 new staff joiners in FY23 and 949 in FY24.” By April 2025, FTEs reduced from 3,230 to 3,110.
- A message from the Principal in March 2024 stated UoD was “moving into a surplus position after a decade of financial deficits” – the report states this “set the tone within the University for investment and growth at a time when savings should have been rapidly implemented. The University had no effective processes for cash management through FY24 and was overcommitted on its capital expenditure.” (p14)
- The report highlights the completeness of financial information presented to committees, the UEG and the University Court as an issue. However, despite this, it states: “...importantly, there was information produced which, with appropriate

challenge (which was reasonably possible to apply, see Questions 12, 13 and 14), UEG, FPC and Court should have been able to assess the ongoing situation from March 2024.” (p37)

- The UoD did not report potential breaches of covenant to the SFC – it is a requirement of SFC’s Financial Memorandum to do so. The report also states a belief that the Principal was aware of the FY24 breach by the end of October 2024. The report states: “A breach of covenant, whether tested or not, is a reportable event to the SFC under the general overarching requirement to report contained in the Financial Memorandum as it puts at risk ongoing access to facilities (the £40m RCF); internal reporting should be done in real time.” (p35)
- A lack of transparency around decision making led to a perception that key decisions were made “...by a ‘triumvirate’ of the Principal, DVC and COO at their weekly meetings was prevalent, although the DVC and COO did not believe these meeting were pivotal to key decision making. There was nevertheless thought to be little transparency or inclusivity in relation to how decisions were made across the institution and the culture of empowerment outlined in the Strategy document was not perceived to be in evidence uniformly across the institution.” (p58)
- Dissent was not welcome and challenge was “shut down” by senior management, with female members of staff in particular reporting “...being spoken over, sidelined or discussed in public as being obstructive if they attempted to be heard and there were reports that the University policy on dignity and fairness was not upheld in a number of instances.” (p58)

The final section of the report sets out ‘Lessons that may be beneficial for the wider sector in Scotland’. This section concludes that SFC’s Financial Memorandum and the Higher Education Institutions and the Scottish Code of Good Higher Education Governance in Scotland are fit for purpose, stating:

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

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

Other lessons set out in the report include:

- UEGs (or equivalent) to be better equipped to actively consider and challenge management accounts, with access to clear, complete and timely information.
- Regular updates to the institution’s Finance Committee where there are financial sensitives (e.g. international student recruitment).
- The need for a questioning culture without fear, and senior leadership being open to challenge.

- Clear communication to committees, UEG and Court where there are matters of significance to the university.
- Minutes should make clear how decisions were arrived at.
- Overlapping Committee memberships (e.g. “The University of Dundee had a practice of the Chair of FPC ‘in attendance at ARC’ and the Chair of ARC ‘in attendance at FPC’”) can result in bias and best practice would be for no such overlap.
- Similarly, where the Universities Secretary or equivalent role is the Chief Operating Officer of the institution, this can also create conflicts of interest, as there will be reporting lines to the Principal and to the Chair of Court. The report states: “Care should be taken to ensure the primary responsibility is always to the Chair of Court.” (p64)

Following the publication of the report, interim Principal O'Neill, acting Chair of Court Tricia Bay and Convener of the Finance and Policy Committee [resigned from their roles](#). Responding to the report, SFC's Chief Executive Francesca Osowska said in a media release that the report had identified failures with financial monitoring and reporting, and failures in governance, adding:

“We will now take the time reflect on the actions, both immediate and longer-term, that should be taken to minimise the risk of this situation happening again.” – [SFC media release, 19/06/25](#)

A BBC News article reported Cabinet Secretary for Education and Skills Jenny Gilruth MSP's response:

“Whilst the university is an autonomous institution which is ultimately responsible for decision-making around its day to day operations, the Scottish government will do everything possible to secure a positive future for Dundee.” – [BBC News, 19/06/25](#)

Universities Scotland's response stated:

“Universities Scotland's governance group will meet early next week to start this process, and we'll work very closely with the Committee of Scottish Chairs, Funding Council, Scottish Government and wider stakeholders to ensure there is transparency, accountability and coordination. In taking this forward, we will connect to Universities UK's work to consider the leadership and governance skills required in the sector in times of transformation and challenge.” – [Universities Scotland media release, 19/06/25](#)

Taskforce

On 8 April 2025, the Scottish Government announced the [creation of the University of Dundee Strategic Advisory Taskforce](#). This group will develop recommendations to support the recovery of the UoD, with a focus on the university's teaching and its research strengths in key areas such as life sciences.

The Taskforce is chaired by Sir Alan Langlands. Sir Langlands was Principal of the UoD between 2000 and 2009. He has also been chief executive of the NHS in England and also

the Higher Education Funding Council for England.

Taskforce membership includes: Universities Scotland; Abertay University; University of St Andrews; Dundee and Angus College; Trade Unions representation; Student Union representation; Tay Cities Regional Economic Partnership / City Deal; Dundee and Angus Chamber of Commerce; Scottish Enterprise; Skills Development Scotland; NHS Education for Scotland; Business representation; and representation of alumni/graduates.

The taskforce will submit a final report to UoD, SFC, Dundee City Council and Scottish Ministers.

Lynne Currie, Senior Researcher - Further Education, Higher Education and Children's social work, child protection and adoption, SPICe
20 June 2025

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

Written evidence from Professor Baroness Wendy Alexander

Introduction

I regret that I will be unable to join you for the session. It coincides with a longstanding family celebration overseas. I have the disadvantage of penning this evidence prior to the publication of the Gillies Investigation, nevertheless I provide my perspective on recent events. Much of the commentary concerning the University has focused on changes in the external environment, particularly around recruitment. What follows focuses on the internal, 'Dundee specific' aspects of the crisis.

It is increasingly clear there was much that I, as a Vice Principal, and often UEG, were unaware of. However, I and others did hold positions of senior leadership and so it is right to be asked for an account by the Committee and to share what I knew and observed.

I served the University for almost a decade as Vice Principal International (VPI). During that time, we saw remarkable success in international student recruitment, international income was more than quadrupled between 14/15 & 22/23. This was a sector leading performance. The change of fortunes in 23/24 & 24/25 had both sector dimensions and 'made in Dundee' characteristics. During my time at Dundee, I served five principals (permanent, acting, interim). From 2022 onwards there was a marked change of strategy, described below. For most of this period I also served in a voluntary capacity as the Scottish Government's Envoy for Higher Education.

Throughout my time at Dundee, I was known for my interest in both international issues and stewardship. As noted below (and in the AAB report) I repeatedly asked in writing about key financial matters, this proved increasingly uncomfortable for the then Principal. Shortly thereafter I was asked to leave the University. I chose to retire rather than accept the package and trips offered at that time.

For reasons of brevity, I do not address the matter of culture. I leave commentary on that highly material aspect to Gillies. Every document mentioned below has been shared with Gillies. What follows is my perspective on key dimensions.

- I. The unnecessary risks
- II. My attempts to surface financial concerns and their consequences.
- III. The bypassing of the University Executive Group (UEG)
- IV. The strategic shift away from internationalisation/recruitment.
- V. Frozen out
- VI. Governance
- VII. International recruitment 23/24 & 24/25

I The unnecessary risks

Dundee University failed to fix the roof when the sun shone. International fee income had quadrupled over 8 years from <£17m to £79m, including growth of 52% and 43% in 21/22 and 22/23. Despite this sector leading growth performance, the institution was barely breaking even and there were few attempts to build reserves even as international income rose sharply (see Appendix 1). International income plateaued in 23/24 and fell in 24/25.

Cakeism, profligacy and hubris at the very top led to a failure to reign in expenditure from early 23 when the policy environment surrounding international students changed.

To illustrate: after the announcement of the dependants ban in May 23, the University did not cut its cloth accordingly. Instead, Dundee grew its staff by 7% (+200 net new roles) in the following year, 23/24. Capital expenditure grew from £14m to £44m (21/22 to 23/24), albeit with £23m from Tay Cities Deal, and third-party contractor spend rose from £11m to £31m (21/22 to 23/24).

All in-year staffing decisions, in-year expenditure and selected capex decisions were taken outside UEG by the Planning and Resources Group (PRG) or various capital boards. PRG was chaired by the Deputy Vice Chancellor (DVC) and did not report to UEG. Latterly Management Accounts did not appear and budgeted in-year savings were incompletely allocated/realised. UEG was progressively sidelined with decisions taken elsewhere. There appeared an inner sanctum, meeting regularly, of the Principal, DVC, and COO. Concerns about the lack of transparency was regularly raised at UEG however challenge was strongly discouraged. Many senior professional service leaders chose to exit. In the four years to Dec 24, we had: 4 Directors of People; 3 Financial Directors; 3 Directors of External Relations; 3 Directors of Strategy; and 4 Chiefs of Staff in the Principal's Office. This churn seriously impacted morale and effectiveness.

The external recruitment downturn was compounded by Dundee-specific factors, which included a sharp decline in rankings (100 places in two of the top 3 world rankings in 2022), no budgeted contingency (a change), the failure to deliver exceptionally large, budgeted savings (£36m in 24/25) without a voluntary redundancy scheme, or any restructuring budget. Large, assumed savings, no contingency and no restructuring provision all flattered the headline deficit forecast in the 24/25 budget.

These own goals coincided with a misguided shift away from a laser-like focus on international student recruitment to a new globalisation strategy, which involved the marginalisation of proven academic leadership and a pivot to 'triple intensity (teaching research and knowledge exchange), and social purpose partnerships.' This left the University poorly equipped to respond to the downturn.

I personally, was progressively frozen out of meetings, my objectives changed, data withheld and when I challenged the absence / adequacy of financial information in Sept 24, I was then asked to leave. I declined the offer of overseas trips at the University's expense to be followed by a generous settlement payment. Quite simply it seemed unethical and morally wrong.

II My attempts to surface financial concerns and their consequence

There are five major financial dimensions in any annual budget process.

- 1 Setting the revenue line
- 2 Setting the budgeted expenditure
- 3 Managing in year expenditure
- 4 Financial reporting
- 5 Cash flow

I document in Appendix 2 my interventions/written queries/ concerns on each these matters, in 2024. I was asked to leave after speaking up on all five dimensions.

I put my concerns in writing on each of these financial management issues including: ensuring the revenue line was not overly optimistic; the scale of budgeted savings and their assurance; the absence of Management Accounts, and my cash flow concerns, It was a lonely experience. Verbally I was told not to interfere in areas that were the FD's responsibility The Principal made clear, via COO, that he wanted me to leave in early October 24. This was shortly after reiterating my concerns at the UEG Retreat about the scale of the unmet savings and the £30m deficit implied (if we included unmet savings in the budgeted deficit, alongside the intake performance).

I felt punished for speaking out. I chose not to be bought off. Neither of my subsequent, admittedly very exciting opportunities, to serve as Vice Chair at the British Council and to join the House of Lords were known to me when I chose simply to retire.

III The bypassing of the University Executive Group

There was a myriad of ways in which the University Executive Group (UEG) was bypassed and/or marginalised. These are outlined in Appendix 3.

IV The strategic shift away from internationalisation/recruitment

Dundee deprioritised international student recruitment when it mattered most.

Instead, the Principal championed a new Globalisation Strategy, headed by a Globalisation Directorate with a myriad of objectives that diluted the focus on international recruitment. The reorganisation remains incomplete today. It proved disruptive, diversionary, and internally controversial.

Appendix 4 documents the shift from the previous focus on international student recruitment to a range of other activity which could not meet our income ambitions.

As the Court Minutes from Nov 23 note the intent was 'a shift in emphasis from student recruitment alone to introducing a research dimension and, where possible, an enterprise/engagement aspect to its partnership activities.'

The challenge of moving to focus on 'social purpose,' 'triple intensity partnerships,' research partnerships and offshore engagement is that they do not have the same income generating potential as international recruitment to the home campus.

The new emphasis on 'social purpose,' and 'triple intensity partnerships' was unaffordable when it was also coupled with a shift away from international recruitment, rising expenditure and the recruitment of 200+ new posts.

And in the year of maximum competition to hold onto international students (23/24), when we had experienced a precipitate decline in rankings, the Principal insisted the most specialist academics in this field (Academic Regional Leads) should have international recruitment removed from their objectives to focus instead on partnerships.

V Frozen out

As well as the strategic shift away from recruitment, noted above, my own influence was progressively diminished. This is documented in Appendix 5.

VI Governance

The Court had reduced checks and balances by removing all VPs from attending Court in Sept 23 through the Principal's Chief of Staff, DVC, COO, Director of People, and other governance officers continued to attend. I only attended one further Court thereafter and was not invited to contribute, thereby ending years of regular reporting to Court. VPs were also removed from attending Court Committees, in my case after 7yr on Audit & Risk (ARC0). The then ARC Chair promised to raise it. I never heard back. The then Chair of Court never met collectively with UEG (until announcing the Principal's resignation in Dec 24). The Principal's Office also instructed that no UEG member should meet with a Court office bearer or external Court members without first informing his office. The Chairs of ARC and FPC both changed in 24 and the new appointees never sought an introductory meeting.

VII International recruitment performance 23/24 and 24/25

The chart below shows International Tuition Fee income trends and forecasts (2025).



Source: University of Dundee Finance team.

This chart visualises the sustained growth to 23/24 and the strength of the post COVID boom. The essential international student recruitment (ISR) challenge for all universities was how it responded when the post COVID boom was interrupted by deliberate policy interventions from summer. On 18 Oct 23, in a paper titled **Strategic Geopolitical Planning and Implications for Dundee** I warned UEG that 2020-22 performance was a bubble not a trend and Dundee should not expect buoyant growth moving forward.

However, in the same meeting the Principal's own paper on Globalisation made clear that ISR, was to be subordinated to a broader globalisation strategy. Moreover, ISR was to left professional service colleagues. Academic leaders were to focus instead on partnerships.

Within a month professional service leaders had instructions from the Principal's Office not to copy me in on ISR correspondence with the Principal.

Simultaneously the embryonic Globalisation Directorate was in the throes of a complex and controversial organisational change process. The new Directorate was explicitly not laser-like focused on ISR.

This was the backdrop against which Dundee approached the 23/24 and 24/25 recruitment cycles. The performance in each year is distinct and noted below.

International recruitment 23/24

The 23/24 the ISR budget was extremely ambitious, aiming for 25% fee income growth. This was below the 43% growth rate achieved in the previous year. It also coincided with Dundee falling 100, 87 and 100 places respectively in the three main world university rankings, a precipitate fall over 2y (22 & 23) which left us overpriced compared to our new competitor set.

In March 23, Dundee unwisely

- closed to all new postgraduate international applications in business
- ceased processing all international postgraduate business applications already submitted
- introduced an earlier fee deposit deadline

This was due to a fear of over recruitment again on Sept 23.

I was in a minority arguing against this decision. Because of our outperformance in 22/23 it was believed we could close our business applications in March and still achieve 25% growth in September. These three decisions were all reversed by July 23, but the damage was done.

Secondly, despite the sharp rankings decline the Principal removed open recruitment objectives from existing experienced academic leaders, directing them to focus on partnerships instead. These developments were Dundee specific and impacted our September 23 intake.

The third causal factor was sectoral. The dependant ban, announced in May 23, took effect in Jan 24. Dundee was particularly hard hit because we had grown our January intake to half our total taught post-graduate intake. The January intake was also particularly exposed to South Asia, Africa and to Business programmes, all cohorts which were more impacted by the dependant ban.

Implications

Once we stopped processing business applications halfway through the cycle there should have been a downside budget scenario. It was typical of the prevailing cakeism, and finance's laid-back approach, that no revenue downside scenario planning took place in response to our closing to new business applications for international students and the announcement of the dependant ban.

Outcome 23/24

In international income terms we plateaued at £78m. But this was £21m below a budget that had assumed 25% growth. And international student volumes were sharply down 1135 overall with Business accounting for most of the decline.

International recruitment 24/25

In planning for 24/25, UEG were more receptive to the impact of policy and geopolitical developments. The MAC review into the Graduate Route was headline news. Scottish institutions were at higher risk because of their earlier start dates. This risk intensified after the MAC review reported, and PM Sunak argued for a more restrictive position prior to going to the country for a fresh mandate. The general election campaign culminated in July. This extended uncertainty particularly hit Scottish conversion rates as applicants holding multiple offers feared they had insufficient time to obtain a visa following the election outcome before their course started. The comparative HESA data for 24/25 for Scotland will not be known until early 2026.

At Dundee, following the over optimism of 23/24 the international fee income budget was more conservative. As discussed in Appendix 2, we agreed to budget for -25% international intake on the back of the Graduate Route uncertainty.

The Court Budget paper in June 24 noted 'our (-25%) reduction in international student fee income ... may still be too optimistic'. UEG were advised the following week it was too optimistic, but no reforecast happened (despite a downside scenario being cited to UEG as the rationale for removing any fee contingency provision).

The recruitment cycle for September 24 begins in October 23. That cycle coincided with the controversial efforts to create a Globalisation Directorate, the removal of academic co-leadership of ISR, the marginalisation of VPI and AVPI, high staff churn, a pivot to partnerships and the new focus on triple intensity and social purpose. All this led to mixed messages about the importance of ISR and revenue generation.

These multi-dimensional changes impacted operational prowess. They negated many of the contributory factors to Dundee's earlier success in ISR – joint academic and professional services working, two UEG leaders fully focused on recruitment and a laser like focus on revenue.

Outcome 24/25

The international fee income for September came in -£8m net (-£12.5m gross) against budget for the full year (of which £3m net had already been foreseen in June with -35% forecast but was not incorporated into budgets). The outcome was closer to budget, but the budget had forecast a decline in international fee income which reduced from £78m to £57m.

The net financial impact of this Sept 24 under recruitment was reported to F&P on 10 Oct. The F&P papers were signed off by UEG.

The financial impact of the September intake was not included in UEG Report to Court issued on 6 Nov, only the stark volume (student number reductions). The UEG Report signed off by the Principal's Office.

Conclusion

I feel incredible sadness for the University and its many excellent staff. Many properly fear what lies ahead and feel disempowered and unheard. During my years at Dundee I witnessed immense successes with committed colleagues working hard to deliver fantastic teaching and pioneering research. That remains the case.

Gillies will comment on the toxic culture from the top, the unwillingness to adapt to the new operating environment and its consequences. The University insufficiently husbanded its resources during a period of exceptional growth. Most of us also believed the Financial Statements about the status of the Ex Scientia £40m windfall.

It is not for me to comment here on the wider, legitimate concerns around the sustainability of higher education funding, notably in Scotland.

In practice from 2023 those institutions who responded most quickly and decisively to the changed external landscape have best weathered the storm of reduced intakes and rising costs. At Dundee ongoing cakeism too often prevailed, prudence was missing.

The by passing of University Executive Group documented here seems a dangerous development. Having been removed from attending the governing fora, like the Court, I cannot comment on their assiduousness in asking questions like those where I was not getting answers. Likewise, it is wrong to exit those who, like me, sought financial information and assurance. There appears to have been no consultation with Court about the plan to exit the most senior women and longest standing academic on the University Executive.

There is no recovery without transparency. Sadly, is it not clear that this lesson has been learned. The welcome public commitments to openness since December 24 need to be lived by both management and governors. I have tried to live up to those principles, by writing candidly here about my own experience and its consequences for my personal employment status.

The University of Dundee deserves to recover and continue a proud tradition of teaching and research. I hope the Committee's deliberations can aid that outcome.

Appendix 1

Dundee had raised international fee income fourfold from £17m to £78m in 22/23. International fees as a percentage of fee income grew continuously from 14/15 to 22/23 as Dundee grew its profile and student community. In 23/24 international income plateaued and in 24/25 it declined sharply, reflecting sectoral trends and a change in the policy climate towards international students.

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
International tuition fee income	16.9	18.3	20.6	23.8	30.9	37.4	35.8	54.6	78.1	78.0	55.3
UG	6.8	8.7	9.3	10.9	13.5	15.9	17.2	20.6	26.5	28.9	28.6
TPG	7.4	7.0	8.8	10.1	13.9	17.3	13.9	29.4	46.2	43.1	21.1
RPG	2.7	2.5	2.5	2.8	3.5	4.3	4.7	4.5	5.4	5.9	5.6
Total	16.9	18.2	20.6	23.8	30.9	37.5	35.8	54.5	78.1	77.9	55.3
Year on year increase £k	1.5	1.3	2.4	3.2	7.1	6.6	1.7	18.7	23.6	(0.2)	(22.6)
Year on year increase %		8%	13%	16%	30%	21%	-5%	52%	43%	0%	-29%
International fee income as % of total fee income	42.4%	42.5%	43.8%	45.7%	50.1%	54.0%	51.2%	60.1%	69.4%	70.8%	64.2%

Source: UoD Finance Department

Appendix 2

My attempts to surface financial concerns and their consequence

1 Setting the revenue line

April 24 UEG - I argued down the Finance Director's desire that we budget for intake in Sept 25 to match Sept 24 intake. This was not realistic given precipitate fall in rankings at Dundee and changed external environment.

10 April 24, Email from WA

'We have finally got reasonable assumption for the 24/25 budget of - 25% decline in open international TPG. Of course, finance tends to optimism bias in current climate because it does not like reforecasting when the world changes.

-35% more likely but UEG would only scenario plan for that.... Iain, Shane, Jim are not a triumvirate for cuts.

Hence it was a battle to ensure that the student numbers planning forecast of -25% in international intake was accepted by UEG for the revenue line in 24/25 budget.

22 May 24 At the Finance & Policy Committee, the Principal, DVC, COO and FD committed to move to a downside scenario (-35%) if required.

17 June 24 UEG minutes note that *the downside of (-35%) was the most likely outcome.*

But there was no reforecasting of the budgeted revenue, despite having promised to F&P to move to this downside scenario if required. This was likely due to DVC/COO/FD worries about the deliverability of, already large, planned savings.

2 Setting budgeted expenditure

May 24 I was concerned, as were some other UEG members, about the scale of savings required in the budget for 24/25 and the failure to institute a voluntary severance (VS) scheme.

6 June 24 My concern about the allocation of and deliverability of savings led to a specific UEG paper on planned savings. In terms of the source of the savings it stated *'the savings (£17.7m + central savings) could be fully delivered via vacancy savings and operating expenditure cuts'*.

And in terms of allocating the savings, the paper stated, *'all savings had been agreed by schools and directorates with DVC and COO respectively.'* There were no caveats to these assumptions. UEG accepted the assurance that the savings had been allocated and agreed.

July 24 Unbeknownst to UEG, the DVC and COO wrote to Deans and Directors acknowledging the required savings were much larger than £17.7m reported to UEG in June 24.

21 August 24 – mid Sept 24, I returned to the matter of savings assurance (unsuccessfully) in successive emails to UEG colleagues. The emails went unanswered. I was then told to wait until the Principal returned from China in late Sept.

20 Sept 24 - Email to COO. I expressed concern about *'a massaging down of the scale of the challenge'* noting *'it comes out in the end.'* No reply received.

26 Sept 24 UEG Retreat, From the papers circulated by finance it was possible to compute the unidentified savings as >£11m. I computed this figure and made the case for sharing the scale of these unidentified savings. Once these unidentified savings were included in the forecast deficit, along with net £8m international under recruitment impact, and other minor items, the forecast deficit was over £30m.

Oct – Nov 24 No official commentary or papers recognised the scale of unmet savings. The deliverability risks were not noted.

Dec 24 The new interim FD introduced a saving tracker. Period 4 Management Accounts 24/25 in Dec 24 revealed *only 48% of budgeted savings were permanently identified.*

Early 2025 Emails to me from finance revealed that *the total savings built into the 24/25 budget were in fact £36m (including vacancy savings). Crucially this figure was never shared with UEG.* To do so would have called into question the assurance that the savings could be delivered simply via vacancy savings and operating expenditure cuts as UEG were told in June 24.

Jan to June 25 The official commentary to university staff and the Education Committee never referenced undelivered recurring savings as a key factor in precipitating the financial crisis. Delivery of all school and directorate (professional services) savings were the

responsibility of DVC and COO, respectively. The public commentary was all about external causes, with no mention of internal ones.

3 Managing in-year expenditure

The senior officers of the university (Principal, DVC, and COO) supported by the FD had agreed this should be managed the Planning and Resources Group (PRG), away from UEG. PRG was chaired by the DVC and with COO and FD as members. UEG were told this was how the Principal, DVC and COO had decided all in-year expenditure would be approved. As the UEG minutes make clear, under the DVC's leadership 23-25. PRG never deemed there was a matter of additional in year expenditure, or expenditure trends, worthy of reference back to UEG.

4 Financial reporting

Matters became untoward in the last quarter 23/24.

May 24, F&P considered period 8 Management Accounts (23/24) as usual. June was dominated by budget setting for 24/25.

August/September 24, I was now doing my own tracking of the absent recent Management Accounts. ***I repeated, in writing, requests to see periods 9, 10 and 11. I challenged that the breakeven position reported in period 12 was not the position in periods 9-11.***

I asked ***'if a material operating deficit (had) existed in period 9, 10 and 11 why this was not reported to UEG and Court?***

My written requests to Principal's Office, FD & COO respectively on all these issues went unanswered.

As noted in the AAB report, the 3 missing Management Accounts were never provided to UEG. *AAB opined that my written challenges likely led to P12 to be compared to P8 (not P11) which obscured the scale of the financial challenges.*

5 Cash flow

September 24 Along with the absence of Management Accounts I was also worried about the cash flow which I noted in writing had not been covered in the main Management Account commentary published for Period 12.

I wrote to the FD raising my concerns about cash falling to £32m and asking how it compared with cash levels 2 years ago?

He failed to address the latter point; on the former point he wrote back *'we should not worry about £32m in itself...'*

Within a month I had been asked to leave.

Appendix 3

The by-passing of the University Executive Group

22/23 Ex Scientia £40m windfall. Financial Statements 22/23 confirmed this windfall was reserved for strategic purposes. UEG were never advised that this was then drawn down and included in general cash.

2023 onwards. In year spending. Principal decreed all in-year spending and staffing bids should go directly to PRG and not come to UEG. There was no reporting to UEG by PRG. Management accounts relied on outdated budget baselines rather than actual spending, around additional staffing, or operating expenditure. Finance said it lacked the resources to update the baseline (note 200+ extra staff authorised 23/24)

March 24 Procurement breach relating to consultancy company advising UEG. UEG never informed (Documented in AAB report)

June 24 Savings assurance. Failure to inform UEG of total amount of savings actually included in 24/25 budget though paper to UEG has provided specific assurance on this point.

June-August 24 Absence of management accounts periods 9, 10, 11 – never shared despite my requests.

6 Oct 24 Forward income and expenditure forecasts to Audit & Risk Committee (ARC) including cash flow, operating forecasts, and a reverse stress test. The forecasts were never shared with UEG. Principal, DVC, and COO all knew the forecasts presented had not been to UEG.

7 Nov 24 UEG Report to Court – signed off by the Principal, not UEG. Its commentary on the deficit differed from the October ARC paper and the figures considered at UEG retreat in Sept.

8 Nov 24 Financial statements issued to Court were inconsistent in around scale of 23/24 operating deficit.

9 23/24 Covenant breach– never reported to UEG until end of **Nov 24** by new interim FD.

Appendix 4

The strategic shift away from internationalisation/recruitment

2022 The Principal led the rewriting of the *University Strategy* and *University KPIs*. International student recruitment did *not* feature in the new University KPIs.

August 23 The Principal authored a paper on *China Partnerships & Strategy paper* for UEG this instructed ‘we (should) not expect to make surpluses ... we need to put some cash on the table’.

October 23, The Principal authored a new Globalisation Strategy *Achieving our Global Ambitions*. It noted ‘*the focus on international recruitment has led to a one-dimensional approach... our future approach to globalisation ‘must be driven by our commitment to social purpose, engaging with educational and research partnerships, TNE, private providers, humanitarian and mobility initiatives.’*

The UEG minutes noted *'the Principal introduced a paper which set out thoughts on how the University might shift its approach to internationalisation from one that had to date focused mainly on student recruitment to a more inclusive globalisation agenda.'*

November 23 Court considered *Paper to Court on University Strategy: Strategic Delivery and Court Priorities* from Principal, DVC, and COO. I was not invited to attend as VPI. The paper stated, *'in terms of globalisation, we are making a switch in both our strategy and our operations from an emphasis largely on student recruitment alone to one where our international activity engaged with all aspects of our triple intensity, for example through ensuring a research dimension.'*

The *Court Minutes* note 'the University was poised to diversify its international provision and partnerships in line with institutional values. This would entail a shift in emphasis from student recruitment alone to introducing a research dimension and, where possible, an enterprise/engagement aspect to its partnership activities.'

January 24, *Email WA to Principal reflecting his new objectives for VPI for 2024*_ He listed eight new objectives for me, none were International Student Recruitment. He made clear I should focus elsewhere.

August 24 *Globalisation Strategy Outline*. The Principal listed nine high level activities for globalisation. International student recruitment features as a sub bullet of one of the nine activities.

November 24 Principal's introduction to the Financial Statements focuses on *Iraq, Malawi*, and the *African Doctoral Fellows Initiative*. These initiatives were congruent with social purpose but were unlikely to contribute to growth and unlikely to cover their costs.

Appendix 5

Frozen out

All line management of professional staff involved in recruitment lay with COO.

25 Oct 23 *Email* confirming my exclusion from the Growth Working Group.

6 Nov 23 *Email* from Director External Relations explaining, on the instructions of the Principal's office, that **she was no longer sharing data concerning international student recruitment with me. I then raised it with COO. No response received.**

21 Nov 23 I was not invited to Court for the discussion concerning Globalisation.

22 Nov 23 *Email to COO* about my concerns surrounding the direction of the globalisation project.

'.... this paper was prepared with no direct input invited from Vice Principal International (VPI) the Assistant VPI, or Academic Regional Leads (ARLs). There is no mention of the ... cooperative structures established over many years... It is a negation of the co-leadership that has brought us and key peers' success (until now). the authors of this paper (3 members of professional services) have taken their lead from lain around the ... non-involvement of VPI. This marginalisation comes from the top. The UEG globalisation paper did not reference academic leadership of globalisation anywhere. As you rightly noted, that is for lain and lain alone. '

No response received from COO. He had already signalled he was acting on the Principal's wishes.

22 Jan 24 Email to DVC regarding planned abolition of Associate Dean International roles. A lengthy rearguard action led to the proposal being reversed, but the morale of current post holders was damaged through 5 months of uncertainty during a crucial recruitment cycle.

3 April 24 Email from COO defending the exclusion of AVPI from Globalisation leadership team (I had already been excluded)

23 April 24 The Principal presented to Court on *Growth and Globalisation*. The paper notes 'the creation of a Globalisation Directorate **leading** a change in our international operations.' This cut out the VPI.

My role was not mentioned in the Court paper. Nor was I invited to present or to comment at Court.

September 24 I was being excluded from decisions on our China operations despite chairing the Oversight Boards for our in-country operations. I challenged this governance oversight in writing.