



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Education, Children and Young People Committee

**Wednesday 25 June 2025**

**Session 6**



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**EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE**  
**22<sup>nd</sup> 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)  
Peter Fotheringham  
Michael Marra (North East Scotland) (Lab)  
Dr Jim McGeorge  
Amanda Millar

**CLERK TO THE COMMITTEE**

Pauline McIntyre

**LOCATION**

The Robert Burns Room (CR1)



# Scottish Parliament

## Education, Children and Young People Committee

Wednesday 25 June 2025

*[The Convener opened the meeting at 09:30]*

### University of Dundee

**The Convener (Douglas Ross):** Good morning and welcome to the 22nd meeting in 2025 of the Education, Children and Young People Committee. Our first agenda item is an evidence session on the financial situation at the University of Dundee.

We will take evidence from former members of staff at the university. I welcome to the meeting Peter Fotheringham, former director of finance; Dr Jim McGeorge, former chief operating officer; and Amanda Millar, former chair of the university court. Thank you all for joining us. We will go straight to questions.

I will start by asking you all about your individual and collective responsibilities in the situation, which is now very public, that the University of Dundee got itself into due to failures in leadership and chronic mismanagement. What do you say to the students and staff who were so badly let down and failed by you, individually and collectively?

**Dr Jim McGeorge:** Good morning. I care deeply about the university. I believe in its ability to transform lives and drive the regional and national economy through its teaching, research and engagement activities. I worked for the university for more than 16 years under a number of principals and chairs of court. I was always fully committed to it and championed its work through good times and challenging ones, including some previous periods of financial difficulties.

Throughout the period that the report covers, I tried to do my very best for the university in good conscience and on the basis of the information that was available to me, so, where I have been found wanting or to have fallen short, either personally or collectively, I am deeply and unreservedly sorry for that. It would never have been my intention to do anything other than my very best for a university that I love and have served for more than half my career.

**Amanda Millar:** Good morning. In relation to the latter part of your question—the part about colleagues in the community at the University of Dundee—I remain deeply frustrated and saddened by the pain that has undoubtedly been caused to students and colleagues as a result of the situation

that the university has found itself in. The university is of enormous value to the country and the city, and internationally.

On responsibility, during my time, I sought to lead and support the court in its collective responsibilities and decision making. In doing so, I worked with the information that was available and brought question and oversight to that. Ultimately, I stepped down in the interests of the institution in the hope of being able to drive a level of change, having advocated for the review that Professor Gillies produced.

**Peter Fotheringham:** Good morning. I echo the sentiments of my former colleagues and take my share of responsibility for the university's current position. The findings of the report that was released last week were clear, and I accept them.

My number 1 priority as finance director of the University of Dundee was always to protect the university's sustainability and to ensure that it was maintained. I care as deeply about the institution now as I did when I worked there. From the first day that I worked there till the very last, I was always passionate about the university and its impact on students and staff, as well as the wider community, through its teaching, research and other interests. The university is a fantastic place to be as a student and as a staff member, so the position that it now finds itself in is deeply upsetting for all of us, and I am very sorry for any part that I played in that.

**The Convener:** You have all been extremely positive and passionate about the University of Dundee, which begs the question why you allowed it to get into such a situation.

Dr McGeorge, you said that, during the period that the Gillies report covers, you did your very best. If that is your very best, it is pathetic. You are identified as one of the worst offenders in the report. Your conduct—what you oversaw and allowed to happen—is unacceptable. How can that possibly be your very best?

**Dr McGeorge:** As I said, I did my best in good conscience, on the basis of the information that was available to me.

**The Convener:** You were the chief operating officer and company secretary, so everything was available to you. There was nothing of which you would not have been aware.

**Dr McGeorge:** No, but I was also reliant on the information that was provided to me, particularly on financial matters.

**The Convener:** So is it Mr Fotheringham's fault?

**Dr McGeorge:** The report indicates that there were some significant weaknesses and failings in

the financial information that was provided to management in the university.

**The Convener:** But the report also makes it clear that it would not have been difficult to challenge that. Someone with your experience, who had spent many years at the University of Dundee, should surely have questioned what you were getting from Mr Fotheringham and what the former principal and others were asking you to pass on. You did not do that.

**Dr McGeorge:** On previous occasions on which we had had serious financial difficulties, we had had good early warning of the issues from the finance department. We were able to assess the level of difficulty that we had and to launch freezes on staff recruitment in particular, given that staff costs are the biggest cost in the university. We used our resources to launch voluntary redundancy or voluntary severance schemes to enable us to bring down other expenditure and our staffing expenditure in particular.

On this occasion, the financial information that was available to us was not as comprehensive as it could have been. The report says that we should have seen signs in March 2024 that would have triggered us starting to make those savings.

**The Convener:** It says that the signs were there.

**Dr McGeorge:** It does. I now recognise that that was the case. Neither I nor my university executive group colleagues saw that at the time, and neither did our finance committee or our court. It is a huge regret that we did not. We could and should have been reducing the staff count through a voluntary severance scheme of some kind in early 2024, some six months before we considered it.

It would still have been a difficult job. There would still have been an awful lot of job losses, and we would undoubtedly have had industrial action, but we would have been doing it under our own steam, which, by the time we got to September or October and the worsening student recruitment position, we were not able to do.

**The Convener:** Mr Fotheringham, your former colleague is saying that it is your fault. How do you respond?

**Peter Fotheringham:** The report is pretty clear in the comments that it lays out on some of the reporting from the financial side. Of course, information from other departments feeds into that. A lot of the information that is prepared on finance is a consolidation of information from people from across the university. That is particularly the case in relation to student recruitment, an outlook on which is produced and processed by others.

It is clear that some of that information was not presented in a way that made the situation as obvious as it could have been. I accept that that was the case. We tried to follow previous years' ways of presenting and to be consistent in order not to confuse the reader, but the Gillies report makes it clear that previous years' reporting was probably of a similar standard and perhaps did not get to some of the issues.

I thought that it was very clear to everybody—the whole leadership team—that we needed to reduce costs. We had those discussions in late 2023 and early 2024. We were clear about some of the specifics on those reduced costs and, as the year went on, more specific actions were requested of colleagues to support that. In hindsight, that clearly did not happen to the extent that it should have done, which is deeply regrettable.

**The Convener:** The principal said in March 2024 that the university was

“moving into a surplus position after a decade of financial deficits.”

What did you do then? What did you say to Professor Gillespie? Did you say, “That is not correct”? Did you stand up and go to the chair of the court or the chief operating officer to say that what the principal had told students, staff and the wider public in March 2024 was clearly wrong, and dangerously wrong for the university?

**Peter Fotheringham:** I do not actually remember the quote, but I can see the quote provided in the report, and it was in an email, so I—

**The Convener:** I am sorry, but how could any director of finance not remember a principal telling the university and the wider public that the university was moving into a surplus position when you have just told us that it was clear then that it was not? That was the total opposite of what you are telling us that you believed, but you sat on your hands and claim not to have heard the principal saying that.

**Peter Fotheringham:** I did not mean to claim that—I do not remember having heard it at the time, but I remember the quote in hindsight, and I think that others have relayed that quote back to me in subsequent times.

In my mind, we got to a point in 2022-23 when the performance was better due to an increase in student numbers. I had reported in the financial statements at that time an underlying performance that had moved to surplus.

The University of Dundee has not been in a strong financial position, not just for the past 18 to 24 months, but for well over 10 years. The university has not generated surpluses of any

measure in that time. It has a structural underperformance against others in the sector. That has been well recognised and well reported, both internally and externally to the university.

However, in 2022-23, there was a clear improvement due to the growth in student numbers. In March 2023-24, the only way that we would have got to a surplus would have been to deliver those cost savings. In relation to the comments that were made about moving into a surplus position, we had already moved into what we considered to be an underlying surplus position. If anything, those comments should have given more encouragement to everybody to understand that the only way to do that was to make serious cost savings, because that was what underpinned any opportunity to do that.

**The Convener:** That was clearly not the case, because you have been bailed out to the tune of tens of millions of pounds of public money. I do not get an impression from you that you think that you did particularly badly. There is an impression that you could have done better, but you are quite complacent.

**Peter Fotheringham:** No, I absolutely understand that I could have done a lot better.

**The Convener:** And you are still in charge of public funds.

**Peter Fotheringham:** I am not.

**The Convener:** You are not—so what is your role in your current organisation?

**Peter Fotheringham:** I am currently unemployed.

**The Convener:** You are unemployed. I am sorry about that.

Amanda Millar, all this was going on while you were ultimately in charge of the governance. These gentlemen were employed to do that work, and they failed. Ultimately, you represented the final catch-all opportunity to make sure that good governance was progressed through the university and that such issues were highlighted. Why did you and your court fail so miserably to do that?

**Amanda Millar:** As I referred to in my earlier statement, there is a level of context in terms of the preparation and presentation of the figures and the paperwork. I acknowledge from the terms of the Gillies report that there were missed opportunities, given the presentation, but the court was operating in a collective way, and it performed its challenge role based on the information that it was presented with, which, according to Gillies, was not presented in the way that it should have been. I acknowledge that there were missed opportunities to highlight some of those particular challenges. With hindsight, I acknowledge the

missed opportunities that are highlighted in the Gillies report.

**The Convener:** But Gillies is very clear that those opportunities were not difficult to spot. It sounds as though you were asleep at the wheel. Did you enjoy the title of chair of the court while not being particularly keen to do the work?

**Amanda Millar:** As chair of court, my responsibility was to lead and support the court in its decision making and governance. I sought to do that to the best of my ability, based on the information that was presented. I encouraged colleagues to engage in an inclusive and curious way, but it is clear that there were missed opportunities.

09:45

**The Convener:** You say that you engaged in a “curious way”. Where was your curiosity when all this was going on and you did not intervene?

**Amanda Millar:** In relation to supporting colleagues as part of my responsibilities as chair of court, I encouraged questioning of the information that was available. I believe that my court colleagues did that, but, ultimately, I acknowledge that there were missed opportunities.

**The Convener:** What questions did you raise when you were not getting monthly updates and performance data was withheld from the court?

**Amanda Millar:** It was my understanding that papers were being presented. Particular challenges were highlighted at a later date, but, by that point, things were—

**The Convener:** The report says:

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

Surely members were asking you where that information was and why they were not getting it. The report also says, on page 33:

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

You said that you were curious and wanted to drill down. Did you find out?

**Amanda Millar:** The role of chair of court is not an executive function. From that perspective, I would have expected executive colleagues to come expecting management accounts. You are talking to me about the UEG.

**The Convener:** Yes, but members of the university executive group were also on the court. Did they not come to you, as chair, to say, “We’re not getting this information”?

**Amanda Millar:** No.

**The Convener:** At our previous evidence session with some of your former colleagues, we were told that some members who regularly attended were excluded from court. Did you approve that?

**Amanda Millar:** I accept that there was, and would support, a reduction in the number of executive colleagues attending a court meeting as a matter of course with the expectation that subject leaders would be in attendance when there were papers relevant to court and their subject.

**The Convener:** So, until that point, when they regularly attended, was it not helpful for them to be there and you decided to exclude them?

**Amanda Millar:** I am not sure that I understand the question.

**The Convener:** Why make the change to stop them coming if you believed that they were not relevant to those meetings when, previously, they came to all of them, had oversight of everything that the court was discussing and could contribute? There were considerable concerns from Professor Grubb and others that he was excluded. We asked your successor—the interim chair of the court—and she made it very clear that it was your decision. Why did you take that decision? What was the impetus for that change? It clearly diminished the amount of scrutiny at court where you were the chair.

**Amanda Millar:** I am not sure that I accept that it diminished the amount of scrutiny on the basis that UEG colleagues would and should have been in a position to scrutinise matters in their roles as UEG colleagues and bring that scrutiny to me as chair of court, if necessary, by suggesting attendance at meetings and raising issues with me separately. Specific attendance at court meetings would not and should not in and of itself have undermined scrutiny.

**The Convener:** Was it your decision to implement the change or were you advised by the former principal or others who are on the panel to do it?

**Amanda Millar:** It is a general position that I would support to ensure that court colleagues were able to have that conversation.

**The Convener:** However, it was a change. Previously, those people were able to come and something changed. We are told that you signed it off. Did Dr McGeorge suggest it? Did someone else, such as Professor Gillespie, suggest it?

Dr McGeorge is shaking his head, so it was your call. You just came up with that idea to invite fewer people.

**Amanda Millar:** It is reasonable governance practice to not have extensive members of the executive automatically in the room as a matter of course. I will give the committee an example. I remember being at a meeting where there was a request for declarations of conflicts of interest in advance, as one might ordinarily expect at a meeting. Lots of UEG colleagues were putting up their hands to say that they had potential conflicts, and yet they were not members of court and therefore it was not a relevant consideration.

There is a slight disconnect in understanding the rationale for attendance, but I would absolutely expect colleagues to be in attendance when they had matters to contribute. As Professor Grubb spoke about, he attended a court meeting and gave a presentation in relation to his particular area of expertise. In relation to other areas where colleagues may have felt excluded—although that is not language that I would use, because I would not seek to exclude those who are able to engage and contribute—they were areas where perhaps the former principal felt that he was the best source of the information.

**The Convener:** I was just about to move on. However, was the former principal advising that people should not come because he could cover their points?

**Amanda Millar:** That is a question that he would have to answer.

**The Convener:** He will, we hope, answer that tomorrow. However, that is the reason why you, as chair of the court, did it—because the former principal was telling you that he could provide that.

**Amanda Millar:** No. That is not the reason. Colleagues were supported to spend the time doing their day job rather than attending a court meeting where there were not areas for them to contribute. However, potentially, if there had been areas where they would have contributed, the principal felt that he could cover those areas himself.

**The Convener:** I do not think that we have cleared any of that up, but I will bring in some other colleagues at the moment, starting with Pam Duncan-Glancy.

**Pam Duncan-Glancy (Glasgow) (Lab):** Good morning, panellists, and thank you for joining us.

I have a couple of follow-ups for Amanda Millar. You said earlier that the court and the executive were different. What was the rationale to exclude some of the executive? What changed in 2023, when you decided to have different people?

**Amanda Millar:** I am not necessarily sure that anything changed. It was about observation.

**Pam Duncan-Glancy:** Observation of what?



**Amanda Millar:** Observation of colleagues being in the room who appeared not to be contributing, and certainly doing other things.

**Pam Duncan-Glancy:** Can you expand on that?

**Amanda Millar:** Yes. Colleagues were in the room, in the sense that they were there. Were they contributing, and did it appear that they were contributing? No. Therefore, there was an argument that their time might have been better spent elsewhere, because they did not appear to be actively contributing to what was being discussed.

**Pam Duncan-Glancy:** That seems like strange practice to make that change without there being any kind of governance decision, such as, “If you don’t say anything, it’s three strikes and you’re out.” Surely there would be a record of that kind of decision.

**Amanda Millar:** I would absolutely follow that logic, if it was to do with court colleagues.

**Pam Duncan-Glancy:** But you said earlier that, crucially, there is a difference between what the court does and what the executive does.

**Amanda Millar:** Yes.

**Pam Duncan-Glancy:** You also said that there was perhaps missing information. Could that not be because some of the people who had that information were excluded from court?

**Amanda Millar:** Most of the information that we are talking about today is finance information, and the director of finance and the chief operating officer were always in attendance.

**Pam Duncan-Glancy:** But other information from other colleagues impacts on financial decisions, and they may not have been invited because of the change in 2023.

**Amanda Millar:** I cannot speak to that, because, if they were not invited, that would have been a decision of their line manager, for want of a better expression—namely, the principal. If particular colleagues had had direct concerns, they would have raised those with me, but no colleagues raised such concerns with me.

**Pam Duncan-Glancy:** A number of people—this comes out in the Gillies report—have said that they felt that it was quite difficult to raise concerns and that views were suppressed at times. Is that perhaps why they felt that it was difficult to give the information to court? The chair of court should surely want to create a culture in which people can ask questions and be inquisitive about decisions. However, it does not appear that that was the case—so much so that, when they did not ask questions, you decided that they should not come to court.

**Amanda Millar:** That is not the link that I would make. My responsibility as chair of court was to lead and support the court in asking questions, being inquisitive and so on. In relation to UEG colleagues, having reviewed some of the papers that were produced for today’s meeting, I see that there was some suggestion that others may have issued instructions in relation to engaging with court colleagues, but I would never do that. I would always expect that colleagues would feel able to come to speak to me, and I believed—perhaps mistakenly, with hindsight—that they did. However, no direct concerns were raised with me.

**Jackie Dunbar (Aberdeen Donside) (SNP):** Good morning. Thank you for coming along. In a previous evidence session, I asked a court member why they failed to see concerns being raised in the reports that they were getting, and they indicated to me that they could only go by the reports that they received; there were never any follow-ups. Was the financial situation not presented to the court members, or was it not presented accurately? Who was responsible for ensuring that court members received the information that they needed?

**Amanda Millar:** The relevant members of the executive group were responsible for that. It was then my job in meetings to facilitate conversation, but the presentation of the papers was by senior executive colleagues.

**Jackie Dunbar:** Do you know whether that happened. Do—

**Amanda Millar:** It is clear—sorry. I am happy to let you extend the question.

**Jackie Dunbar:** It is just that, if I was doing it, I would see a report and have questions on it, and then, perhaps in the following months, I would expect reports back on how the situation was developing and whether it was improving. However, it seems that that did not happen.

**Amanda Millar:** As the Gillies report highlights, the presentation of papers was far from ideal, and the court operated with the papers as they were presented to it. As I acknowledged earlier, there were clearly missed opportunities, notwithstanding the presentation of the papers.

**Jackie Dunbar:** Do you think that that was deliberate or just an oversight?

**Amanda Millar:** I cannot speak to motive.

**The Convener:** We move to questions from Joe FitzPatrick.

**Joe FitzPatrick (Dundee City West) (SNP):** I thank the witnesses for coming along today.

Staff at the university are hurt and angry, and they remain anxious about their employment. I know that a large number of them will be watching

this meeting live. Students are graduating as we speak, and others will be starting their studies soon, so there is a lot of deep concern. I think that your apologies will be welcomed by those listening, but I have to agree with the convener's comment earlier that your involvement in how we got to this situation seems to have been unsettlingly relaxed, particularly given what is said in the Gillies report.

I will initially focus on some of the points that have been raised about the court. Thanks for the points that you have made, Amanda. You have said that you had to deal with the information that you had.

10:00

I turn to Dr McGeorge and Peter Fotheringham. Following on from Jackie Dunbar's question, was there a degree of deliberate misleading of the court? Amanda Millar, as the chair, and the rest of the court had to work with what they had. The former chair has accepted that the court should have been asking more questions and probing more. Was it not your responsibility, as public servants, to ensure that the court had the information that it needed to understand the scale of what was happening at the time?

Universities across the United Kingdom are going through a difficult time just now, but something particularly different clearly happened at Dundee university. The court appeared not to be able to grasp that. Was that not your responsibility, Peter Fotheringham?

**Peter Fotheringham:** I will answer the question first in terms of intent to ensure that information was clear. I always sought to ensure that the information that I provided was as clear as possible. One of the most regretful things for me was that I did not take the opportunity to follow that up with anybody individually. The feedback that I received, whether at executive meetings or committee meetings or at court, was always positive or contained no follow-up comments. There was nobody wanting to meet afterwards because they did not understand any of the papers or to check on their relevance. That absence of negative feedback should not necessarily be taken as something clear and positive, however. In retrospect, although information was presented in good faith and was read in good faith, there was a clear gap in understanding between the two parties.

All the information that was required by court and that would routinely be presented to court was provided. I attended all those meetings and I was always happy to take questions. I enjoyed and wanted the opportunity to engage with court members as much as possible. The clear issue,

which was highlighted in the report, was that the information that was presented was not as transparent as it could have been, and there was a gap in understanding on the part of court members in terms of what that information was telling them.

**Dr McGeorge:** Like what Peter Fotheringham described, there was a process by which financial information of that kind would go through the system. Reports from the finance team would come to the UEG, the UEG would review and comment on those reports, and its members would ask questions accordingly of Peter. Those papers would then potentially be amended or revised, or they would go forward without further change to the finance and policy committee, which had a particular responsibility for examining financial issues and issues around capital. The same kind of process would happen at the finance committee, and its minutes and any relevant papers would be escalated to the court.

As Peter says, those of us on UEG and those of us on the finance committee and the court did not spot early enough the fact that the university was heading towards this crisis. We should have done, and I am hugely regretful and sorry that we did not.

The difference with other universities that are going through the same issue is that, clearly, they did spot that earlier. As a result, they have been able to launch voluntary severance schemes under their own steam and in their own right, and they have started to bring their costs down quickly. We clearly got into that too late and, by the time we got into it, we also had a much bigger hit on international student recruitment than we were expecting.

That process by which those papers were considered is familiar to most university settings. That would be the way it was done.

**Joe FitzPatrick:** When did you realise the scale of the black hole? When did you realise that it was so huge that it was putting the very future of the university at risk?

**Dr McGeorge:** We started to realise that the international recruitment numbers were not as high as we had hoped. The prediction that we had was for a 25 per cent reduction, with a worst-case scenario of around 35 per cent.

**Joe FitzPatrick:** Whose prediction was that? Where did that prediction of 25 per cent come from, given the different nature of Dundee university's international students and the high-risk countries that were being recruited from? Who made that assessment?

**Dr McGeorge:** As I recall, that assessment was made by a group that included the internationalisation committee, the globalisation

director, Professor Wendy Alexander as our vice-principal international, and our planning and business intelligence team.

**Joe FitzPatrick:** The prediction was of a massively different scale from what actually happened, then.

**Dr McGeorge:** It turned out to be. I think that we all felt that that was a reasonable assumption. If you look at the detail of the budget that was set, you see that there was talk about great uncertainty on international recruitment and the risks that were associated with—

**Joe FitzPatrick:** Are you able to put a timeline on when there was a realisation that things were a lot worse than you had previously realised? We have had a lot of conversations in the past about the challenges that the university was facing, but this was clearly something different. Can you give a timeline—roughly by month—of when you realised that this situation went beyond those challenges?

**Dr McGeorge:** Peter Fotheringham probably has a better understanding or recollection of that than me. From my perspective, the university set a significant deficit budget for 2024-25, believing that that was at a manageable level and that it was one that we could sustain. We knew in the April, May and June period that we were setting a deficit budget for the year. The worsening of the student recruitment position began to emerge when students started to enrol in the university in September. By mid to late September, as we approached a UEG strategy two-day event, we knew that the deficit number was going up a bit further.

Then, in November, the interim director of finance, who replaced Peter Fotheringham, came in. She did another analysis and the number leapt up again. There was a progression in the size of the deficit from the figure of around £10 million that was set in the budget to £20 million by the time we got to the strategy day and then closer to £25 million to £30 million by the—

**Joe FitzPatrick:** Mr Fotheringham, when did you start to have sleepless nights about how bad things were?

**Peter Fotheringham:** September.

**Joe FitzPatrick:** As late as that?

**Peter Fotheringham:** I think that it was as late as that. One of the missed opportunities was to understand the scale of the challenge that the university is facing. As Dr McGeorge said, the budget assumption was a 25 per cent reduction. The 25 per cent figure developed over time—it did not start at 25 per cent, but it reached 25 per cent when we got to the closing of the budget. To end on a figure of being 50 per cent down was a

massive difference and it caused a huge variance in income. That we did not know that until the students turned up was a massive missed opportunity.

**Joe FitzPatrick:** When you say that you did not realise until September, that is the thing that people who are watching this meeting—students, lecturers and staff who still do not feel completely secure about their jobs—will find incredible. They will find it incredible that folk in your position would not have realised how bad things were until that late. That is incredible.

**Peter Fotheringham:** Absolutely. That has given me sleepless nights ever since September, to be honest with you. I still do not really understand how that information was not available to be understood. It drip-fed out through September that we were going to miss every single student target, and that number got worse as we went through September. However, up until that point, the reports suggested that it would be within a tolerance level of 25 per cent and nothing like 50 per cent. And that—

**Joe FitzPatrick:** Was there anybody shouting, “Watch out, you have got this wrong”?

**Peter Fotheringham:** Not to me. However, I understand that some people in the university understood the position, and they did not speak up.

**Joe FitzPatrick:** Okay, thank you.

**The Convener:** We have had a bit of a discussion around finance. Continuing with that theme, I note that page 38 of the Gillies report states that a number of individuals, including Mr Fotheringham and Dr McGeorge,

“appeared to operate in isolation of facts”.

Did you?

**Peter Fotheringham:** In this instance, on student recruitment, we did not have or see the facts. We were not alerted to them, so yes, that is true.

**The Convener:** It was clear to everyone. The currency problems in Nigeria were all over the news, and the Scottish Funding Council had warned every university that the peaks in student recruitment were not sustainable. People who are not even in your senior roles—people on the street—were aware of that. Why were you not aware of it?

**Peter Fotheringham:** It is important to recognise that we had had a substantial budget reduction, and that it had come down from the previous year.

I calibrated some budget assumptions with others in the sector. It is difficult to do that when

your student profile is different—all universities' student profiles are different from each other—but speaking broadly, I can say, from what I heard, that other universities were projecting a reduction of 25 per cent in student numbers. Some were projecting better than that, which reflected on their profile, but nobody was projecting a 50 per cent downturn compared with the previous year. An external check against the environment was done; however, as I have said, some people in the university knew that the position was worse, but they did not speak up.

**The Convener:** Dr McGeorge, the report says that you were

“at the centre of many parts of the financial management of the University”,

and, again, you are named as one of the individuals who

“appeared to operate in isolation of facts”.

Did you do so?

**Dr McGeorge:** I do not believe that I did.

**The Convener:** Is Gillies wrong, then, in that assumption?

**Dr McGeorge:** For issues such as the student recruitment position, you do not know where you will finally land in any one year until bums start arriving on seats in September. There is an issue around the predictability of international student numbers. As I have said, we felt that we had made appropriate allowance by looking at 25 per cent with the 35 per cent downturn. Obviously, when the numbers started to come through, it was much more than that.

It appears that, in the sector more generally, some types of institutions ended up suffering more than others in that environment. Often, we are talking about institutions that are not in big metropolitan centres and which are non-Russell group. In that regard, whatever the opposite of a sweet spot is, we were in that place.

**The Convener:** Gillies makes it very clear that you and several named others—including Mr Fotheringham next to you—appear to have operated

“in isolation of facts”.

Are you saying that you disagree with that section of the report?

**Dr McGeorge:** I always try to base my decision making and my input to the UEG and the court on the facts and my analysis and understanding of them.

**The Convener:** So, is Professor Gillies wrong in her assumption?

**Dr McGeorge:** As far as I am concerned, I believe that I acted on the basis of the facts, where those facts were available.

**The Convener:** I will bring in Joe FitzPatrick—

**Dr McGeorge:** The Gillies report also highlighted a set of issues that some of the financial reporting was not giving us the kinds of facts and information that we needed to help—

**The Convener:** You have already blamed Mr Fotheringham for that, so you are reiterating that. That is fine.

**Dr McGeorge:** I am just saying that that is what the Gillies report says, convener.

**Joe FitzPatrick:** I have a very quick question. Mr Fotheringham, you have said to me and to the convener that people knew but did not speak up. Will you tell the committee who knew but did not speak up? We need to make sure that we are asking questions of the right people.

**Peter Fotheringham:** As I understand it, those involved in student recruitment more directly could see the numbers coming through more closely and were more likely to understand the position better. Clearly, that did not filter up to me or others on the executive group. I do not know at what point that information stopped filtering up but, clearly, those people would have been in a good position to see it. However, they did not share the information.

**Joe FitzPatrick:** Was it just not shared?

**Peter Fotheringham:** It was not necessarily not shared, but it was not highlighted. No concerns—

**Joe FitzPatrick:** Although you have said that people knew, is it the case that you do not think that anybody in senior positions in the university knew?

**Peter Fotheringham:** I can speak only for myself, but certainly nobody shared it with me.

**Willie Rennie (North East Fife) (LD):** Dr McGeorge and Mr Fotheringham, my question is on the banking covenant and the arrangements around that. The Gillies report sets out that the Funding Council was not informed of the potential breach of the banking covenant as at 31 July 2023; the university finance and policy committee was not told of the actual breach on 10 October 2024; the audit and risk committee was not told on 22 October; and the Funding Council was not informed on 13 November. Is that your understanding of the banking covenant events?

**Peter Fotheringham:** I was not at all those meetings—I cannot attest to the meetings subsequent to my departure—but, broadly, yes, that is the case. However, there was definitely a discussion on banking covenants at the finance and policy committee meeting on 10 October.

**Willie Rennie:** Were you both aware that a breach of the covenant, whether tested or not, is an event that is reportable to the Funding Council?

**Peter Fotheringham:** I told the investigation team that I was not aware of that. That was an oversight on my part, and I take responsibility for that.

**Willie Rennie:** You were not aware—okay. Dr McGeorge?

**Dr McGeorge:** I was not aware, either. Financial reporting is not my area of expertise, and I am not an accountant. I did not manage the finance team or Peter Fotheringham. I was not aware that that was a reportable issue.

10:15

**Willie Rennie:** We might come back to the banking covenant topic, but I want to move on to the issue of cash management. There were cash reserves of around £100 million in January 2023. They dropped to £32 million in July 2024 and the university was forecast to be overdrawn by £1 million by July 2025. Did the fact that the cash reserves were falling so quickly alarm either of you?

**Peter Fotheringham:** One thing that I perhaps did not share with the investigation team—this certainly did not come through in the report—was that the cash balances peaked at around £100 million. That included quite a substantial temporary uplift; the Scottish Funding Council provided financial transactions funding of just over £15 million. The funds were received in 2022, with a commitment to spending them on specific projects immediately—that is, within a year—and, of course, there was a commitment to repaying those amounts. The high point—

**Willie Rennie:** The £100 million is a bit higher than—

**Peter Fotheringham:** The high point of £100 million was a bit of a false reality. Again, perhaps that was something that should have been made more clearly to court members and so on. The repayment commitment was closer to, I guess, around £80 million or £75 million.

Obviously, cash reserves went down significantly on the back of a renewed strategy to reinvest in the capital programme. Prior to and during the period of Covid, there had, given the university's financial position, been quite a severe underinvestment in capital projects, and that underinvestment was starting to find its way through to the student experience and, I would probably say, the long-term feasibility of the campus.

During 2022, following recovery from Covid, the university's strategy was to reinvest in its capital programme, and its budget was used for that. Every budget subsequent to that showed that cash reserves would decline on the basis of reinvesting in fixed assets. I felt that there was clear encouragement from the court and the governing bodies to do that, and not to reverse that decision personally, but instead to ensure that we were able to invest the cash in our fixed assets.

We faced quite a big challenge with reinforced autoclaved aerated concrete—RAAC—on campus; we were one of the worst-affected universities. That resulted in not just capital challenges but operating costs for the university, which were quite unexpected. That is an example of our infrastructure starting to get in the way. As for the cash position, it certainly declined.

Between 2022 and 2023, when student recruitment was very strong, there was clear encouragement to continue to take the same approach. That was the case, I think, at that time.

**Willie Rennie:** Did you warn your fellow colleagues in the executive group, and the court, that maintaining decent cash reserves is really important for universities? Pamela Gillies makes it very clear that all principals and all leadership teams know that having reasonable cash reserves is essential for universities. Were you aware of that?

**Peter Fotheringham:** Yes. That is a reasonable assumption, and a view that anybody could come to. I do not think that you need to be in my position to—

**Willie Rennie:** Why did you allow the reserves to go down to that extent? Did you warn the court about that?

**Peter Fotheringham:** I think that the court understood the issue with regard to any investment in fixed assets. The university was not generating enough cash to invest in its fixed assets. That had been the case for so long that I do not think that I could go back and find a time when the university was in a strong enough financial position to be able to generate cash, invest in its fixed assets and still have reserves left. Its reserves had been depleting for more than a decade in that respect, but it was not investing in its fixed assets.

The court made the decision that it wanted to have a capital programme that included investment. In 2022, that plan would have involved significant debt being taken on, but I was very clear that we could not take on significant debt to invest in our capital programme until the university's position had improved and the prevailing conditions were acceptable for the university to do that.

**Willie Rennie:** So, you could not take on debt, but you were quite content—

**Peter Fotheringham:** We could not take on significant debt to do that.

**Willie Rennie:** You were quite content to run down the cash reserves when it was known in the sector that you needed to maintain decent cash reserves and at a time when there were significant warnings from the wider universities landscape.

**Peter Fotheringham:** In 2022, when the court approved that plan, there were no significant warnings about the student landscape. We went on to recruit probably too many students in 2022-23.

**Willie Rennie:** Quite a lot of questions have been raised in the environment about the university model and its sustainability.

**Peter Fotheringham:** Absolutely, and the University of Dundee's sustainability has always been a challenge.

**Willie Rennie:** Therefore, I come back to the question: why did you allow the cash reserves to be run down in that way and not challenge the strategy that the court was encouraging?

**Peter Fotheringham:** That year's budget and the subsequent budget suggested that, although it would involve reducing spending, there would be adequate cash reserves. The budget projection was that there were opportunities to reduce or defer that spending. Some projects did not happen or were deliberately delayed in order to manage that expectation.

**Willie Rennie:** We have heard that you were both unaware of your requirement to report to the SFC and that the cash reserves were allowed to be run down. We have also heard about the reporting mechanisms and that you were not providing various reports to the various committees at the time. Were you struggling in your job?

**Peter Fotheringham:** I do not think that there were reports that were never provided to committees. Providing the reports was a significant undertaking.

**Willie Rennie:** There were some gaps, and it was reported that you were doing forecasts.

**Peter Fotheringham:** There were some gaps in reporting to UEG for a period of time.

It would be fair to say that I did struggle in the job at times, particularly during 2024 but also prior to that. My team was seriously underresourced, and my team and I struggled to stay on top of everything. That was partly due to unlucky factors such as long-term absences and our inability to

recruit, but I accept that the team was underresourced and that we struggled.

**Willie Rennie:** Thank you for being frank about that.

Dr McGeorge, did you recognise that Mr Fotheringham and his team were struggling?

**Dr McGeorge:** I knew that Peter Fotheringham was underresourced, and most of our directorates were in such a position. As he has said, because of the financial climate affecting institutions and particular structural factors associated with Dundee, the universities have not been able to generate the surpluses that would enable the teams to be the size that we might want them to be.

As I have said, managing the finance team was not one of my responsibilities. I was reliant on the financial information that Peter Fotheringham and his team were able to produce. From a cash perspective, the going concern paper, which came to UEG in October 2024 and went on to the finance committee in the same month, said very clearly that we would have sufficient cash through to July 2026 and that we had a £40 million revolving credit facility that had been renewed since the balance sheet date and which was now in place to October 2026. I had no reason to doubt that that was true.

**Willie Rennie:** Okay. I will come back to that.

Amanda Millar, you were previously the chair of Samaritans Scotland. Is that right? You were also president of the Law Society of Scotland. The turnover for each organisation is as follows: £1 million for Samaritans Scotland; £11 million for the Law Society; and £300 million for the University of Dundee. Given that, do you think that you had the experience to take on this particular role?

**Amanda Millar:** As chair of court and from a governance perspective, I would say that, given that we are talking about an organisation with a finance director, a company secretary, a vice-chancellor who is effectively a chief executive and an environment in which there were opportunities for open dialogue, engagement, working together on leadership style et cetera, my answer would be yes.

**Willie Rennie:** You said earlier that you cannot speak to motive, that you were provided with the information that you were provided with, that there seemed to be a lack of an inquisitive mind, and that you accepted members of the executive team being removed from the court without questioning the reason why. Simply, it seems that a very passive approach was being taken to such a big organisation. What business experience have you had? Did you have financial experience before you took on this role?

**Amanda Millar:** I do not have any formal financial qualifications in that respect. Certainly, in my engagements with Mr Fotheringham at the university, I was reassured that matters were operating well. The information about him struggling is news to me this morning.

**Willie Rennie:** But should it not have been news to you? If you were not getting the answers that you needed to get, was there no inquiring mind asking why? That is what we have courts for.

**Amanda Millar:** Absolutely—it is what we have courts for. From a collective perspective, we bring that inquiring mind, that curiosity and those questions. We work with the papers that are presented to us and bring to them the curiosity associated with that.

As I have acknowledged, it is clear from the Gillies report that, although I believed that the court was operating with the papers that were available and bringing that appropriate challenge, there were missed opportunities. I acknowledge that.

**Willie Rennie:** I think that people will be surprised by that, given that we are talking about such an important role in such a big university, which, as you have said, contributes significantly—£300 million—to the economy of Tayside. Do you regret applying to be the chair of court?

**Amanda Millar:** I do not.

**Willie Rennie:** Do you not?

**Amanda Millar:** No. I have certainly reflected on the situation that the university has found itself in, in particular, and on my role and my time there.

I know that the convener would not want me to make a suggestion about questions that you should ask, but if the next question were to be “What would you have done differently?”, I would say, reflecting on that, that my answer would be to have done work to bring a level of trust in me, so that colleagues could have brought their concerns to me, things could have been surfaced and escalated earlier and we would not be in the position that we are in this morning and which, frankly, we were in months ago.

**Willie Rennie:** But we cannot go back.

**Amanda Millar:** No, we cannot go back.

**Willie Rennie:** Dr McGeorge, did you want to come in?

**Dr McGeorge:** It was just to say that an awful lot of effort is put in by governing bodies across the sector, including at Dundee, to get the right skills matrix across the court. Therefore, there are, within the court, people with strong financial and business experience.

With the legislative change around the appointment of chairs of court, an interesting question has arisen around the nature of the role of chair in particular. The tendency in the past would have been for the vast majority of chairs of court to be very strong finance people with extremely strong business experience. The weakness of that approach, though, was that it tended to result in a great many white males being chairs of court, and chairs of court not being a particularly diverse group.

The new arrangements under the legislation meant that a wider range of people with very valuable skill sets came forward, which led to a much wider and more diverse range of people becoming chairs, but also to those chairs perhaps being less financially oriented. However, you make up for that by having within the 23 or 24 people within the court as a whole the right balance of people who have those skills to compensate.

**Willie Rennie:** I have one more question about the joint role of chief operating officer and secretary to the court. Do you think that it was a conflict of interest for one person to hold both roles?

**Dr McGeorge:** It can pose a conflict on occasion, but the job of being a university secretary and chief operating officer is to know when such conflicts might arise, to whom you are reporting, and when. I never felt conflicted in my role when it came to reporting to Amanda Millar as secretary to the court or reporting to the principal as chief operating officer.

10:30

**Willie Rennie:** Were you conscious that no other university in Scotland operates that way?

**Dr McGeorge:** I think that others do operate that way—I think that the University of Glasgow does, for example. The University of Aberdeen did until relatively recently, and quite a number down south have such arrangements. The Gillies report raises the need to be conscious of such issues, and I think that I was always conscious of them and always aware of my responsibilities to the governing body.

**The Convener:** I want to come back to and test the covenant point a bit further later. Mr Fotheringham and Dr McGeorge, in response to Mr Rennie's initial questions, you spoke about underrecruitment being the big issue. That challenges the Gillies report's findings, because Professor Gillies is very clear that the issue was the excessive spending over a significant period.

Are you challenging the report or do you accept that the issue was not underrecruitment, which many universities struggled with, but your

decisions to continue spending at significant rates and increase staffing levels even though student numbers were going down? Gillies is right, and what you are saying this morning is not correct, Mr Fotheringham.

**Peter Fotheringham:** I am not challenging the report in any way. At the time, we were very focused on the student recruitment outturn, and getting that wrong made a big impact on the spending profile. I am not challenging the report in that respect, but recruitment was a big issue, and I was only responding to the question that was put to me.

**The Convener:** The bigger issue was not responding to that and continuing to spend. Dr McGeorge, as chief operating officer, why did you not see student numbers going down but staff numbers and other costs going up? Spotting that is a chief operating officer's role.

**Dr McGeorge:** To go back a couple of years, the university's student recruitment position went from feast in 2022-23, to holding its own in 203-24 and to famine in 2024-25. That is associated with the UK Government's change in policy and things such as the Nigerian currency devaluation.

In the year of feast, the university was under huge pressure to provide high-quality teaching and the right support services to those students, and we invested in staffing because we believed that the student numbers would be sustainable in the longer term and were not aware that Government policy would change. Due to fair work principles, we made most of the appointments permanent as we believed that doing so would be sustainable in the future.

I think that Gillies has said that the position of retaining stability in staff numbers was sustainable and appropriate until February/March 2024. As I said, we should have spotted the issue in March 2024—I am deeply sorry that we did not—and started freezing recruitment and using the VS scheme at that point, which would have been six months earlier than when we considered doing so.

**The Convener:** Dr McGeorge, there is a theme in your evidence: you say "we", share responsibility and often move it on to others. You did so with Mr Fotheringham very early in the meeting, and just a moment ago, you said that other decisions meant that the right people were not on courts.

You held one of the most senior positions, are one of the most qualified people and have different qualifications. A lot of your evidence seems to involve shifting the blame away from you. The role of chief operating officer and company secretary was one of the university's most senior positions, and you have been at the university longer than anyone else on the panel that is in front of us. You

have been at the university longer than the total for the other witnesses combined. Of the witnesses today, you are perhaps most to blame. Do you accept that?

**Dr McGeorge:** I accept my fair share of the responsibility—

**The Convener:** Of our witnesses today, do you accept that you are most to blame?

**Dr McGeorge:** I think that I am as responsible as others for the position that we have got into as a university. As I said earlier, I acted in good faith and in good conscience in trying to do my best for the university through that period.

I am not trying to shirk blame in any way, shape or form. I accept my share of responsibility for what happened to the university and the position in which it finds itself. There are decisions that I wish that I had taken back in March 2024 to do things differently and to launch the savings schemes under our own steam. I think about that every day at the moment, and have done so for a considerable period.

**The Convener:** I am not sure that anyone who has read the Gillies report and truly accepts its conclusions would say that there is equality in the blame. You hold a significant amount of blame along with a previous witness and one that we will have tomorrow. You are one of three who hold far more blame than anyone else.

**Pam Duncan-Glancy:** We have evidence to show that you were aware of some of the information that you say you were not aware of, Dr McGeorge. You just spoke about not knowing things until later in 2024. The Gillies report says that there was a warning shot in September 2023 but you still oversaw the recruitment of more staff. Why did you not take that warning?

**Dr McGeorge:** In terms of student recruitment?

**Pam Duncan-Glancy:** Yes.

**Dr McGeorge:** Student recruitment in September 2023 held pretty much steady with what we had managed to do the previous year. We had projected an increase that did not come through, but we had reasonably good student numbers then. The point where we really saw a fall in those numbers was January 2024, in semester 2 recruitment. That clearly should have been the trigger and, as I said, I regret deeply that we did not take action in early 2024 to start to reduce costs more than we already were doing.

**Pam Duncan-Glancy:** Do you disagree with Professor Gillies when she says that you could have seen that in September 2023?

**Dr McGeorge:** I am saying that I did not see it in September 2023.



**Pam Duncan-Glancy:** Is it possible that you did not see it because you were not responding to some emails? We have evidence that says that you did not engage people. One of the allegations in the Gillies report is that there was a two-tier UEG. Is it possible that you did not see it because you were not looking and not listening?

**Dr McGeorge:** I have always tried to be incredibly approachable and open to people challenging me and coming to me with information. That is the way that I have always tried to operate. I have always tried to listen to what my colleagues say to me.

**Pam Duncan-Glancy:** Does that include listening to colleagues who emailed you and asked you direct questions about recruitment and decisions that were being made?

**Dr McGeorge:** Yes—I have always tried to.

**Pam Duncan-Glancy:** We have evidence that suggests that some critical pieces of correspondence were not responded to at all. That could indicate that you had the information and did not act on it.

**Dr McGeorge:** That may be the case. I would need to check to see whether it is. Also, I would not always respond to an email with another email. I would often go and speak to people or have a conversation with someone about an issue, rather than simply dealing with it by email. However, if there are occasions when I did not respond to an email, I am sorry that that happened.

**The Convener:** Did you not respond to those emails because you did not want the paper trail?

**Dr McGeorge:** No, absolutely not.

**The Convener:** That is what many people will assume.

**Dr McGeorge:** I am a people person and usually try to have conversations with people about issues rather than get into lengthy email exchanges.

**The Convener:** That is funny, because people tell us that the people person did not respond; they do not caveat that by saying that you did not respond by email but came and spoke to them. It is clear in the evidence that we got that you were ignoring serious concerns.

**Dr McGeorge:** I do not believe that I was ignoring serious concerns.

**The Convener:** We have spoken about the covenant a bit and I want to delve into it. However, before we get there, there is something that I want to get on the record from the three of you. Did you all fully engage with the Gillies report, and did Pamela Gillies and her team interview you all?

**Peter Fotheringham:** I was interviewed for about an hour. I was delighted to participate. I fully engaged and was happy to follow up anything that could have come up afterwards, although nothing did.

**The Convener:** Did you provide all information requested?

**Peter Fotheringham:** Yes.

**The Convener:** How about you, Dr McGeorge?

**Dr McGeorge:** Yes, the same.

**The Convener:** You were interviewed for about an hour and provided information.

**Dr McGeorge:** Yes.

**The Convener:** And you, Ms Millar?

**Amanda Millar:** The same.

**The Convener:** Good. I wanted to get that on the record.

On the covenant, how can two very senior individuals—one is the director of finance and one about whom the Gillies report says

“was at the centre of”

all

“the financial management of the University”—

not know that a breach is reportable to the Funding Council?

I will go to you first, Dr McGeorge.

**Dr McGeorge:** I am not an expert on financial reporting.

**The Convener:** You are at the centre of financial management at the university. You are not only the chief operating officer but the company secretary. You are legally bound to alert the institution to such issues. Is it not only an appalling failure but almost a criminal failure that you were negligent in that way?

**Dr McGeorge:** I do not believe that I was negligent in any—

**The Convener:** Oh—okay. How can you not know something like that and not be negligent?

**Dr McGeorge:** I simply did not know that it was a reportable incident.

**The Convener:** Okay. If we believe you that you did not know, that is still a serious incident on your watch. At that point, there was still some dubiety as to whether a breach had occurred—we will come on to Mr. Fotheringham and his discussions with the bank. Given that you both seem totally unprepared for that eventuality, would you not then research what happens if a university or an organisation breaches a covenant? Did you not do that?

**Dr McGeorge:** I did not. I did not know until just before the court meeting in November that there had been a breach.

**The Convener:** I will challenge that in a moment.

If we say that you were made aware in November—Gillies suggests otherwise—did you, at that point, look at the scenario of a breach and what a university and a company secretary should do?

**Dr McGeorge:** I did not, but—

**The Convener:** Someone who has accepted, on the record, that they did not know anything about matter then has it handed to them as an issue. As company secretary and chief operating officer, you did not think, “Looking at what might be required here deserves a bit of my time.” That is gross incompetence.

**Dr McGeorge:** As I said, I did not know until late on that that was the position. I do not want to look like I am blaming others and I do not want to shift responsibility. I would, in that situation, normally expect expert colleagues in finance to say to me, “Jim, this breach is a reportable thing. You need to write to the Funding Council about it.” However, I accept, convener, that I could have acted myself, looked that up, found that out and done so. Again, I apologise that I did not do that.

**The Convener:** It would not take much looking up. I am not suggesting that Mr Fotheringham will argue this, but there might be an argument from others that, although this is a financial issue, given that it is a breach, which has implications, that is a company secretary’s job.

**Dr McGeorge:** I accept that, convener. I also was of the understanding that the university was still in negotiations with the bank on the covenant and that there was still work to be done with it on whether the revolving credit facility would continue. Again, I was not clear that that situation was fully resolved—

**The Convener:** It did not have to be fully resolved. It—

**Dr McGeorge:** —at that point. However, I recognise—

**The Convener:** Sorry, just on that point—

**Dr McGeorge:** —that it does not have to be.

**The Convener:** It does not have to be—

**Dr McGeorge:** I do recognise that.

**The Convener:** —and it is very clear that a breach of the covenant, whether tested or not, is reportable to the SFC. Therefore, the point that you just made does not even matter.

Mr Fotheringham, how could a director of finance not know? I put to you the same point that I put to Dr McGeorge. When you were trying to work with the bank to stop the breach happening, or to prevent its implications, did you not pull a file or carry out a Google search to see what a breach means for a university?

**Peter Fotheringham:** Very regretfully, no, I did not.

**The Convener:** Why not?

**Peter Fotheringham:** I think that, at that time—I can go only on my recollection; I have not got any notes or anything to show how I tried to approach this—it was very close to the point that I was leaving the university. I was trying extremely hard to ensure that all parts of my role would be passed on effectively—in general rather than just in relation to the circumstances that are before us currently. I was working very long hours, and my focus on the covenant was to look at a resolution.

It is with much regret that I say that I did not understand that that was reportable—and I did not understand that until the investigation team told me when I met them.

**The Convener:** Were you trying to keep it under wraps, because of the implications that it might have for the role that you are moving to?

**Peter Fotheringham:** Not at all—

**The Convener:** It would have been a serious black mark to have that hanging above you as a director of finance just before—

**Peter Fotheringham:** It is a serious—

**The Convener:** It is.

**Peter Fotheringham:** It is a serious black mark now; I understand that. Certainly at the time, my focus was on resolving the issue. The key thing for me was the need for us to come to a solution. I was solutions focused and I did not stop to think about the wider implications.

**The Convener:** The Gillies report says a couple of times:

“It is not known whether the DoF was aware of the breach sooner than 4 October”.

As director of finance, were you aware of the breach sooner than 4 October?

**Peter Fotheringham:** Definitely sooner than 4 October, yes. I cannot go back and check the date, but before 4 October, yes.

10:45

**The Convener:** When, roughly?

**Peter Fotheringham:** The end of September or the start of October. I think it was 4 October when

I sent the email to the bank, but I had met bank staff immediately prior to that as well.

**The Convener:** So, you sent an email on 4 October, and you had met bank staff, but you also had to arrange a meeting. We can then go further back, that you were—

**Peter Fotheringham:** It was by happenstance that the meeting was already in the diary.

**The Convener:** This gets worse. So, it just so happened that you were meeting with the bank.

**Peter Fotheringham:** It was a meeting because I was leaving; the meeting was arranged some time in advance.

**The Convener:** To prepare for that meeting, you were going to ask the bank not to take the matter further, and not to make it a breach. You were looking for mitigation.

**Peter Fotheringham:** I was very unprepared for that meeting in that respect, because it was new knowledge to me, and it was not the purpose of the meeting. That is why I had to follow up with the email afterwards, as it was not information that I had in advance. It could have been sent in advance of the meeting, which obviously would have been preferable.

**The Convener:** When did you make the principal aware? The report again says:

"It is not known whether the DoF was aware of the breach sooner than 4 October nor if or when this was reported to the Principal."

When did you report the breach to Professor Gillespie?

**Peter Fotheringham:** I cannot give a specific date. I did report it in a meeting. I said that we would need to amend the agreement with the bank, possibly also in year, in 2024-25, given that the outturn was looking significantly worse. I could not tell you the exact date, I am afraid; I do not have the records for that.

**The Convener:** But roughly around 4 October.

**Peter Fotheringham:** Around that time.

**The Convener:** Before you sent the email, you picked up the phone to the principal and said—

**Peter Fotheringham:** It was before that date, but in the days before, not weeks before.

**The Convener:** You have just listened to Dr McGeorge, who has pushed a lot on to you today, saying that he was not aware of the matter until November. Was there no discussion with the chief operating officer and company secretary, as you were departing, to draw attention to a big issue that you were leaving on your desk for the interim finance director?

**Peter Fotheringham:** It was discussed at the finance and policy committee.

**The Convener:** Was Dr McGeorge not there?

**Peter Fotheringham:** To my recollection he was, but I do not have the minutes of that.

**The Convener:** When was that meeting?

**Peter Fotheringham:** On 10 October, I think. It was the day before I left.

**The Convener:** Dr McGeorge, you told us that you did not know about the matter until November. Were you at that meeting on or around 10 October? Were you not listening when you were told about a potential—

**Dr McGeorge:** I would have been there, yes.

**The Convener:** So, you were aware of it in October, a month before you sent the email to the Funding Council.

**Dr McGeorge:** Yes.

**The Convener:** Why did you tell us that you were not aware of it until November?

**Dr McGeorge:** I did not recall that it had been raised at the finance and policy committee.

**The Convener:** That is handy.

How can you expect us to trust your evidence when refuting it is so clear, so obvious and so simple? Of course you were aware of this when the finance director was leaving. No finance director or incoming interim finance director would let it bypass the company secretary and chief operating officer. Why sit there and expect us to believe your mistruths?

**Dr McGeorge:** I genuinely did not remember that it had come up at the finance and policy committee. I had no recollection of that.

**The Convener:** When it did come up, why did you wait a month to send an email to the Funding Council?

**Dr McGeorge:** The email to the Funding Council followed the meeting of court when the scale of the university's projected deficit had grown from the previous position that we had believed it to be to £25 million to £30 million. The purpose of the email was to notify the Funding Council of that change, following that difference being reported to the court on 12 April. The purpose of the email was simply to update the Funding Council on the size and scale of the university's deficit.

Had I known at that point that the breach had not been reported to the Funding Council—

**The Convener:** That does not matter—

**Dr McGeorge:** —and had I known that I had to report that breach to the Funding Council, I would have—

**The Convener:** That does not matter, because you did not know that it had to be reported.

**Dr McGeorge:** I did not know—that is what I am saying. If I had known that it needed to be reported, clearly, I would have written before then to do that.

**The Convener:** I think you are making a lot of this up as you go along.

**Dr McGeorge:** I am not.

**The Convener:** On the matter of your email to the Funding Council, given the gravity of what you were informing the Funding Council of, do you think that the language that you have used was appropriate? You said, “I’m dropping you a line.” It is like me saying that I dropped my wife a line at the end of a meeting to ask her how her morning had gone.

**Dr McGeorge:** As I say, it was simply an email to highlight the increase in the projected deficit from £25 million to £30 million.

**The Convener:** Yes—it was a massive statement that you were issuing to the Funding Council, and you think that it was appropriate to drop them a three-line email. Maybe it was your view that the matter was not that serious—

**Dr McGeorge:** It was clearly—

**The Convener:** Sorry—hold on. Staff were clearly going to be under threat as a result of the situation. Students were going to be worried. Tens of millions of pounds were going to have to be saved somehow, and someone with decades of experience at the university, who told us at the very beginning of the meeting how proud he was of that institution, tells the Funding Council, “I’m just dropping you a line to say that the university I have been part of for so long is in such financial crisis that we’re looking at saving £25 million to £30 million.”

I think that that shows a complete lack of any concern about or understanding of the gravity of what you were about to impart to that university community, which has led to the situation today. Do you not accept that?

**Dr McGeorge:** I was deeply concerned about the impact of that predicted deficit on the university community—deeply concerned.

**The Convener:** Do you think that that comes across in your email?

**Dr McGeorge:** On reflection, it does not. It was a brief email that was sent quickly to the Funding Council so that it was sighted on the fact that that

was the position that had been reported to the court, in the event that the Funding Council got queries from staff or students, or via the court or the media, to say that the university’s position had worsened significantly.

**Ross Greer (West Scotland) (Green):** I start by asking Amanda Millar to reflect in particular on some of the evidence that we have heard this morning, which I could perhaps characterise as individuals saying, “I was working in my lane and the issue here was that information just was not being shared with me by others.” Dr McGeorge, that seems to be the line of evidence that you in particular are trying to push.

Amanda, do you feel, on reflection, that your ability to discharge your duties as chair of court was being hindered by the executive group? If so, was that deliberate?

**Amanda Millar:** Forgive me, but I will start with a level of repetition, just so that we can—I hope—pull the context together.

My role as chair of court was to lead and support the court and bring challenge based largely on the information that was presented. With regard to some of the information that has come out in the Gillies report, and some of the information that has come forward this morning, I note that there is a particular challenge in being able to lead and provide support in an inclusive and challenging way if the information that is presented is not as clear as it should be, and if it is not presented in an environment—executive colleagues would need to speak to this, because it would be more relevant to them—in which colleagues are able to come and say, “Actually, this is what I have presented to you, and this is where I would expect to see particular challenges; these are the particular causes of concern, and we would want those to be specifically raised.”

Is it deliberate that those concerns were not being raised? As I said earlier, I cannot speak to motive, but I anticipate that there may well be some conversation later in relation to the issue of culture.

**Ross Greer:** On exactly that point, you talk about creating an environment of challenge. I am interested in hearing your reflections on whether you could have done more to create such an environment, but I am particularly interested in the role of the executive management team. Were efforts made on the management team’s part, in one way or another, to ensure that it was not challenged—for example, by omitting information that would almost certainly have resulted in robust challenge from court if that had been provided to it?

I am ultimately trying to get to the bottom of the difference between full and frank information not

being provided to court as a misstep or incompetence versus a deliberate attempt to withhold the information from court by those in senior management positions, who knew that if they were challenged on that, it would reflect badly on them.

**Amanda Millar:** I am going to repeat myself. I cannot speak to motive, but I can speak to what I believe. Again, I have acknowledged elements of the challenge in the Gillies review and the missed opportunities, but I believe that court was an inclusive and challenging place where colleagues were empowered to ask questions. There were certainly times when there were colleagues who wished to have the answers to many of those questions, and perhaps the breadth of colleagues being permitted to provide those answers was not as inclusive as it might have been. If it had been, things may have been able to be surfaced earlier.

With regard to reflecting on things that I may have been able to do, I have been reflecting in particular—I think that I referred to this earlier in response to Pam Duncan-Glancy—on how I could have engendered a greater level of trust in me so that people felt able to come to me more quickly.

A definite area of reflection is whether that was hampered by the fact that—some of this was alluded to earlier, perhaps by Mr Rennie; forgive me if it was someone else—I, as a chair of court, may be slightly different from the usual individual in that respect, and therefore automatically engendering the trust and expectation has perhaps been slightly more challenging for me. I believe strongly that the court in general was an inclusive place where members were empowered to question. As I say, however, there may well have been some members and executive colleagues who operated in a different way, if I can put it like that.

**Ross Greer:** Thank you very much—that was useful in how candid it was.

I am interested in delving into one decision in particular, and that is the appointment of Shane O'Neill as the interim principal. How did you satisfy yourself on that? I presume that, at the point at which he was appointed, you felt that that was appropriate. The obvious litmus test for whether it was appropriate is that you believed at the time that he was not seriously implicated in the matter. As it turns out, he was. Mr O'Neill is not here to speak for himself, but he clearly was implicated, and that is what resulted in his departure. Could you outline how you came to the conclusion at the time that his appointment was appropriate? Were you given any reassurances, either formally or informally, that he was not sufficiently implicated in the crisis?

**Amanda Millar:** Yes. In relation to the circumstances of the appointment of Professor O'Neill, I had conversations with senior court colleagues in particular around suitability and being able to have a level of transition and to ensure that there was still meaningful leadership. We were all confident that he was a different style of leader in that respect. There appeared to be a greater level of openness and intent around transparency at the time when we were looking at the appointment and had that conversation with the court.

**Ross Greer:** Were you provided with reassurances, either formally or informally—for example, by other members of the executive group—that he was not so implicated in the crisis that he would have been an inappropriate appointment?

11:00

**Amanda Millar:** I was not given any clear information that would have suggested to me that he was implicated to the level that would now appear to be the case. If that had been the case, it would have been a very different conversation.

**Ross Greer:** Knowing what we know now from the Gillies report, do you feel that information was withheld with regard to Shane O'Neill's role? What I am struggling to believe is that it did not come up or occur that he might have been seriously implicated. Of course he might have been, and Gillies confirmed his role in the situation. I am trying to understand how you and others were able to feel a sufficient degree of confidence that he was not implicated and that he was therefore an appropriate appointment.

**Amanda Millar:** From looking at the general situation and reflecting on some of the evidence and the information that has come from Gillies, information may not have been deliberately withheld—which I think is the wording of your question—but there may have been a lack of evidence and also a lack of knowledge or awareness that there was a problem other than the great big problem that had been announced on 12 November. I appreciate that the dates are now a matter for debate but, from a court perspective, the big announcement was on 12 November.

**Ross Greer:** Who did you get your information from? At that point, Professor Gillespie had gone. Who provided you with information on who could be appointed as the interim principal and whether they would be a suitable person for the role?

**Amanda Millar:** There was a conversation with the legal team on the process and, if I recall correctly, there was also a conversation with Dr McGeorge. However, that may bring its own

challenges, given the information that has now come to light.

**Ross Greer:** Sorry to press the question, but that is about the process. I understand that it was appropriate to make sure that the legal team confirmed that you were following the correct process. However, in relation to the process for individual candidates, information about them, who to appoint—I do not know whether anyone else was even in the frame for the position—and how suitable they would be, who provided you with the information that Shane O'Neill was suitable to appoint? Where did you get that information from?

**Amanda Millar:** The information was from a combination of UEG colleagues, the legal team and Jim McGeorge on the process as well as on appropriateness, suitability and so on. We looked at the situation from the perspective of the court in relation to changing the leadership style and the need to have accountable officers and so on in place. That was due to being in a situation in which, from my perspective and from the court's perspective, we needed to move with a level of urgency in the interests of the institution.

**Ross Greer:** I am keen to come back to this point if there is time—I recognise that there are time constraints on us. I have one other question, which is about the relationship between the court resilience group and the team that I think is called the incident group, which the executive set up.

**Amanda Millar:** There is a court advisory group and a resilience committee.

**Ross Greer:** What I have in front of me is that you sent an email in December to all staff members informing them that a court resilience group would be set up with lay members, staff members, students and the executive group on it. Separate to that is the executive group's incident group. What has been suggested to me is that the group that was set up under the auspices of the court was never intended to function and that the executive group had every intention of dealing with the situation through its own incident group. Reflecting on it now, do you think that there was ever an intention from the executive group to allow this court-appointed group—the resilience group—to do the job that you had said in the email to all the staff that it would do?

**Amanda Millar:** I, too, am conscious of time, but I will come back to that.

**The Convener:** Do not worry about that. I am happy for the session to be extended.

**Amanda Millar:** On the wording point, the court set up a separate court sub-committee called the resilience committee, which might be the one that we are talking about. The resilience committee was set up with the intent of facilitating elements

of court decision making that might be necessary at times when such decisions needed to be made at pace, due to the time of year and so on. Ultimately, no decisions needed to be made by that resilience committee.

Separately, the Gillies report alludes to the utilisation of lay members' skills beyond them attending the court as members. I regularly advocated doing that and was regularly told, "Yes, that is a fabulous idea," but then also told, "Nobody is calling me and I am not having any such conversations," so that was a cause of frustration for me in my time at the university. In one breath, they said that it was a great idea, but it was not materialising.

The court advisory group was set up to allow executive colleagues to access expertise that existed among court members. However, it was not a court committee; it was a group that was set up as a sounding board so that colleagues could access information and, as Gillies rightly highlights, bring in external voices. Bringing in such voices, different perspectives and so on is part of the court's job. That group met very regularly, but was it decisive?

**Ross Greer:** Was the incident group that was set up by the executive group—I think that it was called the executive group's incident group—approved by the court? Did the executive come to the court and say, "There is a crisis, and we want to deal with it through this structure, which is this incident group that will respond," or were you informed after the fact that, "This is what we are doing—we have set up this group and we are coming up with a recovery plan"?

**Amanda Millar:** I would suggest that the incident group's wording and the executive's decision making is a question for executive colleagues. I have no recollection of a direct conversation with the court about an executive incident group.

**Ross Greer:** In that case, I pass the question to Dr McGeorge. I am going on information that has been passed to me, and I am perhaps not using the right term for the group. My understanding is that the executive group set up the incident group in order to respond to the situation and come up with a recovery plan. Can you clarify what that group was and how it came into being? From your understanding, was the court ever asked to approve the group?

**Dr McGeorge:** I do not think that the court was asked to approve the group, but my understanding was that the group was simply the UEG meeting daily in an executive capacity to address the incident's critical nature. It then, as Amanda Millar referred to, drew on the wider court advisory group's expertise, so that it had an effective

sounding board to bounce its ideas off weekly or fortnightly.

**Ross Greer:** Regional colleagues will certainly be able to say more about this but, reflecting on the conversations that I have had and the email that was sent to staff in December, I think that there was an expectation that the resilience group—this court sub-committee—would be taking a leading role.

As it turns out, there were mismatched expectations because, from what Amanda Millar has outlined, it sounds like the group was to be used only in a situation in which the full court was unable to convene to make a decision. There was a sub-group that could make such decisions more quickly, and the expectation was that it would take a leading role in the recovery plan's development. The recovery plan was developed by the executive group.

This is my final question, which is for Amanda. Should the court have taken more ownership of the development of the recovery plan, given that the executive group had largely been the group of individuals who had led the organisation to crisis point? Was it appropriate to allow them to come up with a recovery plan for a crisis for which they need to take the lion's share of responsibility?

**Amanda Millar:** We are potentially back to the point that the court's responsibility is non-operational in that respect. Could it have been done differently? Hindsight is a wonderful thing. Everything could have been done differently and we might not be here. Should more have been done? Could more have been done? I do not know, but it is definitely the case that things could have been done differently. I am not sure that that answers your question.

**Ross Greer:** It is a candid answer, which I appreciate.

**The Convener:** Ms Millar, in response to Mr Greer, you spoke about the conduct and environment that you wanted for your court, in which your court members could challenge things, but you said that perhaps the information that you were provided with to provide that challenge was not as good as it could be. *The Courier* has had outstanding coverage of this issue and has been a trusted voice that people have gone to in order to shine a light on what was happening internally. It quotes one of the members of your court as saying that you would shut down questions about finances because that was an operational matter and that you would not allow such questions to be asked.

**Amanda Millar:** I do not recollect shutting down conversations that were about finances that were relevant to court conversations.

**The Convener:** Did you shut down some, because you felt that they were not relevant?

**Amanda Millar:** If there were directly operational questions, I would ask for them to be directed to operational colleagues.

**The Convener:** Those operational colleagues were sitting round the table with you at court.

**Amanda Millar:** And there were—

**The Convener:** Where better to be questioned than in front of you, the chair of the court. You have told this committee a number of times about your curiosity and about how you wanted to drill down into things. However, you have accepted on the record that you shut down questions about finances.

**Amanda Millar:** No, I have not.

**The Convener:** You did.

**Amanda Millar:** No, I did not. What—

**The Convener:** You did, because you said that, if you felt that questions were not relevant and they were operational, you would not allow them. You have literally just said that.

**Amanda Millar:** Not finance questions.

**The Convener:** You did.

**Amanda Millar:** Not directly—

**The Convener:** You allowed—

**Amanda Millar:** Then I would wish to withdraw my answer, convener, to the previous question and say that I do not recollect shutting down at court questions that were directly about finances.

**The Convener:** A member of your court has wanted that view to be expressed publicly because they were so frustrated about your convenership of that meeting. You are saying that they are wrong and that you never shut down questions about finances, saying that they were operational and not allowing them to be asked.

**Amanda Millar:** As I say, I do not recollect shutting down any finance questions at court. The perception of somebody else is absolutely their view, to which they are entitled.

**The Convener:** Should a chair of the court, who has accepted in response to Willie Rennie that they did not have financial training and whose previous experience was with organisations far smaller than a university, ever stop questions being asked at court? Should you not allow everything to be asked and allow everything to be out in public?

**Amanda Millar:** My role as chair of the court is to support and lead the questions and the challenge in relation to the court's governance and

decision making. I have acknowledged that there have been some missed opportunities in that respect, as highlighted by the Gillies report.

**The Convener:** I am shocked that a chair would ever stop interrogation, discussion and debate. I personally believe that that is a major failing. If you are saying that you have done that in relation to even a small proportion of what your court members wanted to ask, do you not accept that that is a failing?

**Amanda Millar:** In terms of my role as chair of the court in leading and supporting the governance of the organisation and in relation to the nature of its decision making, I believe that I operated, and my court colleagues operated, in an open and inclusive way and that they were given every opportunity to ask the questions relevant to the decisions that we were being asked to make, based on the information that was presented. I cannot and will not argue with the perception of another individual.

**The Convener:** They strongly disagree with you. You keep speaking about governance, but you cannot have governance if you shut down debate. Do you accept that?

**Amanda Millar:** In relation to the governance decisions and the debate around them, absolutely. It is appropriate to have debate around those governance decisions.

**The Convener:** On reflection, was it wrong to shut that debate down?

11:15

**Amanda Millar:** As I have said, I do not recall shutting down governance decision making and conversations around finance as relevant at court.

**George Adam (Paisley) (SNP):** When I first saw the Gillies report, I tried to find a smoking gun—when did it all start going wrong? However, there is no smoking gun. It is just a systematic failure at every point.

When you look at the collapse, you see that it is largely internal. There is poor financial judgment and failure to act in real time on clear warning signs. There are overly optimistic budgeting assumptions and weak internal controls. There is a lack of transparency and ineffective oversight by the university court and the executive. To me, those are the basics. How did you get to the stage where you ended up in a perfect storm?

**Dr McGeorge:** I can only go back to what I said earlier. We missed, but should have seen, the opportunity early in 2024 to take out cost at that point. That was clearly a failure. The UEG did not spot in the data with which it was provided the fact that it should have been moving quickly at that

point; neither did the finance committee nor the court. The Gillies report says that there were signs that we all should have picked up on. Had we identified that, we would have been moving on with the cost-saving agenda six months before we did. That is a huge failing. I accept my responsibility for that along with others.

**George Adam:** There is no smoking gun, but there is a trigger moment. How did you not reach the point at which you knew that it was not right and was not going the right way sooner? You are an experienced individual and have been there a long time.

**Dr McGeorge:** Previously, it was about us seeing that our financial performance, financial projections and income levels were such that we needed to get in quickly and make those changes. I just think that we were slightly blindsided in that regard this time round. Had any of us spotted that and been challenged on it through, for example, the finance committee process or court process, we would have acted immediately. The counterfactual is to say that we sat there knowing that there was a crisis and did nothing. That is just not what any of us would do. We all wanted the best for the university so, had we spotted it—we should have spotted it—we would have started much earlier.

**George Adam:** Dr McGeorge, with the greatest respect, you nearly tanked one of the oldest universities in Scotland. I do not understand how people like you can get yourselves into that position with all the checks and mechanisms that there are. Surely there is something that you are not telling us that was the issue.

**Dr McGeorge:** From my perspective, there is not. We just did not see early enough the need to take those costs out of the organisation.

**George Adam:** Perhaps this question is for Mr Fotheringham more than anyone else. Part of the unrealistic budgets was the betterment gimmickry. In essence, those were fictitious cost reductions. Surely, when you went through the management accounts, you would notice that those reductions were not happening. In financial year 2024, £8 million of betterment was never realised. In financial year 2025, it was £23.3 million. The average business in the real world would not get away with fakery like that. How did you, as a public organisation, get to that stage?

**Peter Fotheringham:** When that terminology was brought into the management accounts, I was very clear with my colleagues that it would require action. It was not just there as a hope but required specific action to deliver those savings. We had had similar discussions in previous years, with an expectation of future savings that were built in. There was a clear understanding that that would



not just happen by itself, and that action was required in order to deliver it. The action that was taken subsequent to that may have been too late, but it certainly allocated that amount out, specifically to budget holders, with an expectation on them to deliver.

**George Adam:** Apart from that, the term “betterment” itself would have rang alarm bells for me. That is just me being cynical—that is my personality. I am thinking of the whole idea that £8 million was not realised in the financial year 2024, and the figure was £23.3 million in financial year 2025, when the deficit at that stage was about £30 million.

**Peter Fotheringham:** This is one of the things on which I perhaps did not give enough evidence to the investigation committee. Some of the savings targets were delivered. It was not the case that that just did not happen. Things did happen in order to deliver those. There were other things that went for and against the overall position, but the key thing was to ensure that we were communicating clearly with budget holders, of which there are very many across the university, on what was expected of them, rather than just leaving them to continue without clear direction.

**George Adam:** That is the bit that I cannot get. Having been involved as a local councillor with council budgets, and in other organisations, I am of the opinion that, when such savings are asked for, we get stuff back. Here, however, there was something that was complete and utter fantasy. You, or the institution, doubled down the year after. I just do not understand how you could get yourself into that position.

**Peter Fotheringham:** In any budget process, there is a top-down and bottom-up perspective. The university had a lot of people involved in owning budgets. That was bottom-up: there was a request for budget at the start. Then, the top-down challenge to that was that we expected the savings to be delivered against that, based on some of the issues that were raised, including reduced student numbers, not recruiting to posts that were incremental or holding posts vacant for longer, or taking other actions that might have been able to deliver against that.

The university is a big institution and it has a large spend, so it is reasonable to expect a level of challenge against budget holders’ requests. It is clear from the report that that was not communicated downwards effectively enough, and therefore we did not achieve the level of savings or make that clear to budget holders at a level where we could have delivered against that.

**George Adam:** In March 2024, while all that chaos was going on, there was a communication from the principal, bizarrely praising everyone for

their financial resilience, but at that stage the university was in free fall. I still have a difficulty with that. Was there a culture to suppress challenge within the university? Did that come from a senior level? If so, who was responsible for that, Mr Fotheringham?

**Peter Fotheringham:** I am sure that the culture in the university will come up again. Across my time, from 2019 onwards, the culture was frequently hostile—I think that is probably a fair word to use—not in specific terms around suppressing information or presenting a picture that may not have been the case, but in terms of atmosphere, and that more hostile atmosphere led to, at times, a lack of appropriate challenge at all levels.

**George Adam:** Where did that come from?

**Peter Fotheringham:** The culture was there when I joined, and it was certainly there when I left. A lot of people are involved in the culture of a place. I am not an expert on that by any means, but that is certainly how I experienced it during my time at the university.

**George Adam:** You are saying that there is toxicity in the culture or working environment of Dundee university.

**Peter Fotheringham:** At certain levels, absolutely.

**George Adam:** What are your thoughts on that, Dr McGeorge?

**Dr McGeorge:** I am sure that we will come on to this, but I think that there were issues around the culture of the former principal of the university, which led to people perhaps feeling that they could not challenge as much as they might wish to do, and that would not have helped in this scenario.

**George Adam:** Did you say the principal?

**Dr McGeorge:** Yes.

**George Adam:** In March 2024, he was praising everyone for their financial resilience while things were in total free fall—I know that the band played on while the Titanic sank, but I do not think that that should be the case in a university. Would you say that a lot of that culture possibly came from the senior level and the principal himself?

**Dr McGeorge:** I think it did, yes.

**George Adam:** Can you give us any particular examples of that?

**Dr McGeorge:** The culture created an environment in which people perhaps wanted to please the principal and say what he wanted to hear, rather than necessarily speak truth to power. That was a particular aspect of the former principal’s behaviour.

**George Adam:** If you saw those things happening, did you feel that you could approach the principal and say, “Haud the bus, this is not working”?

**Dr McGeorge:** Yes. In certain circumstances and in certain environments, particularly in private, he would listen and act. However, I would certainly have hesitated to do that in a public setting.

**George Adam:** Amanda Millar, did the court have a similar attitude as Mr McGeorge had with regard to the principal?

**Amanda Millar:** As I alluded to earlier, there were sometimes individuals who wanted to answer questions when those questions may have been better directed to others, given their areas of expertise. The principal certainly felt that there were things that were in his area of expertise and were therefore for him to answer questions about.

When engaging with him in private, I found him, on the whole, to be reasonably open to conversation and challenge, and there were opportunities for people to be able to raise issues that they had reflected on. There was definitely something there in relation to getting people to be able to engage. To give you an example, on 29 November, when matters were escalated to me and had reached the point that there was something that I could do about them, I had a conversation with the principal. That was a few days before he resigned.

**George Adam:** You are all looking good considering the bus that Baroness Alexander flung you under when she said that she was totally moved out from her post. We know that the international student numbers were part of the reason for some of the problems and challenges that you all faced. She said that she was “sidelined” and that she never had the opportunity to be able to talk about anything to do with finance. Dr McGeorge, what is your view on that?

**Dr McGeorge:** Baroness Alexander raised sensible questions about finance, particularly in September 2024. When they were directed to me, I usually passed them to Peter Fotheringham and he responded. The questions that were raised by Baroness Alexander were absolutely addressed and answered.

**George Adam:** Right, but she says that she was “sidelined” and that no one spoke to her about finances.

**Dr McGeorge:** That is not my recollection.

**George Adam:** Okay. Finally, is it correct that the number of individuals who were employed by the international recruitment team skyrocketed in 2023? Did the team end up with more staff when you were already at the stage at which things were starting to show signs of not working?

**Dr McGeorge:** I do not know the answer to that question—I would need to access the detail of the staffing levels. Some restructuring was undertaken at that point, which moved different directorates and things together. If I am able to access that information, I would be happy to provide it outside of this meeting.

**George Adam:** Okay, thank you. I have nothing else to ask.

**Ross Greer:** I have a question for Dr McGeorge. In answer to Mr Adam’s question on culture, Peter Fotheringham quite fairly made the point that cultures are developed by many people, not just one person, but, when George Adam pressed you on that point, you reflected that the issue was about the culture that was established by Professor Gillespie. He will be able to answer that point when we see him tomorrow, but, as one of the most senior and most powerful individuals in the university for a prolonged period of time, do you take any responsibility for what sounds like a pretty toxic culture?

11:30

**Dr McGeorge:** I have to take some responsibility for whatever culture the UEG is perceived to have had—

**Ross Greer:** Hold on a minute, Jim, because it is not about just perception. You acknowledged a minute ago that it was more than perception—you said that there was actually a problem with the culture of the organisation.

I am asking you whether you—as arguably the second most powerful individual in the institution for a prolonged period of time—take your share of responsibility for that?

**Dr McGeorge:** I do. In hindsight, there is a possibility that the culture around the UEG table, led by the principal, created a situation where people coming into those meetings perhaps felt that they could not be as honest as we, or as I, would have wanted them to be about issues.

**Ross Greer:** Thanks. We will be take that up with Professor Gillespie tomorrow.

**The Convener:** Mr Fotheringham, was the man to your right, Dr McGeorge, part of that hostile environment?

**Dr McGeorge:** No.

**The Convener:** I am sorry, but that question was not for you, Dr McGeorge.

**Peter Fotheringham:** I would be happy to say no. I have always found Dr McGeorge to be approachable and supportive.

I think that we all have to take some responsibility as a group, because there was a

perception—people's perceptions are realities to them—that UEG as a group perhaps created that environment.

One of the now much-quoted elements of the Gillies report in relation to the environment that UEG members created named me. That was particularly hurtful to read, because I have never seen myself as somebody who would shut down debate or create a non-supportive environment.

During my time at the university, I went out of my way to create a supportive environment, but I think that it is probably fair to say that I needed to do more. However, I would not say that about Dr McGeorge at all.

**The Convener:** Would you agree with Dr McGeorge about the former principal?

**Peter Fotheringham:** On the specific comment around creating an environment for staff coming into UEG?

**The Convener:** On the creation of a hostile atmosphere. You inserted the term “hostile” into the evidence today. So, did that come from Professor Gillespie, in your view?

**Peter Fotheringham:** There were elements in relation to which certain staff definitely felt that.

**The Convener:** What about the former deputy vice-chancellor, Professor O'Neill?

**Peter Fotheringham:** I would not have said that about the former deputy vice-chancellor, based on my recollection.

**The Convener:** Joe FitzPatrick will ask the next questions.

**Joe FitzPatrick:** I want to go back to a response that Dr McGeorge gave to George Adam in relation to Wendy Alexander raising concerns. Am I right in saying that you said that she raised those in September 2024?

**Dr McGeorge:** I think that she raised more concerns in September 2024. There would have been other queries that Baroness Alexander would have raised.

**Joe FitzPatrick:** Unfortunately, Baroness Alexander is not able to be here today; she is doing something else and is unable to access the internet. We therefore have a written submission from her. As Mr Adam said, she is very critical of all of you in it. She maintains that she raised concerns earlier, which were discounted. Dr McGeorge, it would be interesting to get clarity on your understanding of whether she raised those concerns. She was the vice-principal with responsibility around one of the big areas. Was she trying to raise concerns about the student numbers with you, Dr McGeorge? Did you sideline her?

**Dr McGeorge:** No. I would never sideline anybody, and I would not sideline Baroness Alexander. I have huge respect for her and what she has achieved at the university. The two of us go back a long way. We are probably the longest-serving members of UEG around that table.

I would say that she would raise queries and questions around finances and her own portfolio on a regular basis. Where I was able to answer those queries, I would seek to answer them. Where I was not the right person to do that, I would send those on to other individuals, which might be people in the globalisation team that she worked with closely, someone in finance, or someone in the planning and intelligence team, for example.

**Joe FitzPatrick:** She was in a very senior position, and was paid more than the First Minister of Scotland to do that job. Did she ever raise a red flag with you?

**Dr McGeorge:** I do not think that she raised a red flag. She asked perceptive questions about our financial position, particularly in September, and perhaps in July and August. She was raising those questions a month or two before the rest of us were picking up on them, so she perhaps had insight into the situation slightly earlier than the rest of us.

**Joe FitzPatrick:** In her evidence, she suggests that, on the back of those questions, there was an attempt to buy her off with lavish overseas trips and pay-offs. Were you aware of that? Were you part of or involved in trying to buy Wendy Alexander off?

**Dr McGeorge:** I do not think that “buying off” is the appropriate term. The former principal asked me to seek to enter into without prejudice discussions with her about her departure from the university on mutually agreed terms. It would not be unusual for somebody in my role to do that, although the principal was obviously her line manager. As it was presented to me by the principal, the core issue was a fundamental difference of view on the future strategic direction of the internationalisation portfolio.

In her statement, Baroness Alexander said that it is her view that she had a laser-like focus on recruitment, whereas the former principal's view of internationalisation was rather wider, encompassing research, enterprise, partnerships and social purpose.

**Joe FitzPatrick:** We are speaking to the former principal tomorrow, so we will ask him about that. In your view, was that the reason for her departure being sought, or was it that he just did not like the challenge?

**Dr McGeorge:** I took it at face value that that was the reason. It was evident that there were tensions between the two of them but, from my perspective, I was asked to have the conversation on the basis that there was, effectively, a difference of opinion about the university's future direction within her portfolio.

**Joe FitzPatrick:** Amanda Millar, were you aware of any of that going on? Was there any sense of misogyny in what was happening to Wendy Alexander at that time?

**Amanda Millar:** I am aware of Baroness Alexander's statement. I have read it and I am concerned about some of the comments that are in it. What I would say is that the concerns that she raised with UEG are not concerns that she raised with me until after the former principal had departed.

**Joe FitzPatrick:** After?

**Amanda Millar:** After.

**The Convener:** Dr McGeorge, you have said how well you got on with and liked Wendy Alexander. You served together for a long time—I think you said that you were the longest-serving members of the university executive group. When you had that discussion with Professor Gillespie, did you urge him not to take that course of action, or were you happy to go along with what he was asking? You said earlier that you would have more robust conversations in private. So, when he asked you to enter into those discussions without prejudice to remove Wendy Alexander from a university that she had been part of, with you, for so long, did you challenge that in any way?

**Dr McGeorge:** I did discuss it with him.

**The Convener:** Did you say that he was wrong to try to get rid of her?

**Dr McGeorge:** I did not, no. When the chief executive of the organisation has one view of a particular portfolio and the person who holds that portfolio has a completely different view, it is difficult to see how that will work in the future.

**The Convener:** You said that you had those discussions with him. Did those discussions include a pay-off and an offer for her to go on trips around the world funded by the university?

**Dr McGeorge:** We had a very respectful and cordial set of discussions—

**The Convener:** I understand that. I am sure that things were respectful between you and her. However, I just want to know the details of those discussions. Were offers made for her to go on trips and to receive a substantial pay-off?

**Dr McGeorge:** They were without-prejudice discussions in which we explored a range of

different options. In the end, Baroness Alexander decided that she wanted to agree a date for announcing her retirement and handing in her notice and that we would agree in early 2025 the kind of activities that she would undertake during her six-month notice period. Options were discussed, such as her perhaps going part time and doing certain aspects of the role but not others. There was an option for a financial settlement.

One of the options was about her using her knowledge and experience of the international market to review the opportunities that the university might have in North America. The university has historically underrecruited from Canada and the USA, so the idea of forming a plan to grow the recruitment of students from those parts of the world was discussed. That would have required at least one trip to North America.

We discussed all those options in a without-prejudice setting and cordially reached an agreement on a particular option. That is the one that was chosen.

**The Convener:** I cannot believe that you can say that with a straight face. It is very clear. Why, when Professor Gillespie, as the principal and vice-chancellor, instructed you to remove someone from the university would you offer that person the opportunity to go and work for the university abroad? It was clearly an enticement to leave. You have just told us that there was conflict between the two of them. With that conflict, how could you possibly believe that the arrangement was to benefit the university if the principal did not believe what that individual was advocating? Those trips were to get someone to leave—can you not accept that?

**Dr McGeorge:** No, I do not accept that.

**The Convener:** Do you accept that that is how it could be and, I think, would be perceived?

**Dr McGeorge:** I can accept that it could be perceived in that way. That perception would be wrong. The discussions were without-prejudice, exploratory discussions about what might or might not enable us to reach a mutually agreed settlement.

**The Convener:** As the chief operating officer, what did you think Wendy Alexander would achieve in North America, given the fact that she had a polar opposite view of the globalisation strategy for the university to the one that the principal held at the time?

**Dr McGeorge:** Baroness Alexander would have brought great insight into the North American market and the opportunities for the university to recruit students from it.

**The Convener:** And do what with it, given that the principal to whom she would have reported wanted rid of her?

**Dr McGeorge:** It would have been picked up by the globalisation team and used to try to drive improved recruitment in the North American market.

I talked about the difference of opinion about the future direction of the portfolio, but student recruitment would still have been a large part of that international portfolio. It is just that the wider aspect of the portfolio that related to research, enterprise, partnerships and social purpose was different. However, student recruitment and, therefore, the opportunities for it in North America would absolutely have been important for the university's future and could have provided extra income streams for the university, so the work that she would have done in that space would have been extremely valuable.

**The Convener:** It would have been valuable if she had been continuing, but it was part of an exit package, which is different.

Do you accept that there is a perception among some people that the discussions that you had without prejudice were enticements rather than how you describe them? Would it be criminal to use the university's money to buy someone off in that way?

**Dr McGeorge:** If that was the case, it may well be—I am not a lawyer—but it simply was not the case.

**The Convener:** In your view.

**Willie Rennie:** Amanda Millar, for clarity, did you ask Iain Gillespie to leave at that meeting on 29 November?

**Amanda Millar:** No.

**Willie Rennie:** Why do you think he left two days later? You draw a connection between the two.

**Amanda Millar:** Do you want me to give you a bit more information on the context?

**Willie Rennie:** Yes, you can do.

**Amanda Millar:** I had received a note of concerns from a couple of conveners about what was happening on recovery. I had a conversation with Professor Gillespie and raised those concerns with him, and he was to reflect over the weekend. Then, as I understand it—I was out of the country—he had another conversation with one of my former colleagues, and then we had a meeting.

**Willie Rennie:** Who was that former colleague?

11:45

**Amanda Millar:** The deputy chair.

**Willie Rennie:** Okay.

**Amanda Millar:** I was not in the meeting, but my recollection is that Dr McGeorge may have been in it. There was certainly another meeting with me, Dr McGeorge and the deputy chair, either on the Wednesday or the Thursday, and I had been kept up to date about the original meeting with Professor Gillespie. During the course of that meeting, he confirmed that he would tender his resignation, which came, I think, an hour later.

**Willie Rennie:** Was the discussion in both of those meetings about whether he would stay?

**Amanda Millar:** Yes.

**Willie Rennie:** Right.

**Amanda Millar:** Well, the first was not necessarily about whether he would stay but about whether he was able to drive the organisation out the other side of the challenge.

**Willie Rennie:** What would you have done if he had not gone? Would you have escalated it? Was it in your mind that you had a plan for him to leave, whether he agreed or not? Was that your intention?

**Amanda Millar:** By that point, I was in receipt of levels of concern that caused me, as the chair of court, significant concern about the on-going executive leadership of the organisation.

**Willie Rennie:** You would have pushed for him to go.

**Amanda Millar:** Had he not gone, additional steps would probably have been required.

**Willie Rennie:** Okay.

**Pam Duncan-Glancy:** I am afraid that some of that does not quite add up. Dr McGeorge and Peter Fotheringham, you have both said that you used the information available to you to draw the conclusions that you did and to make the decisions that you made about recruitment, that you were told nothing else about the circumstances and that things might have been different had you been given different information. Is it fair of me to say that?

**Dr McGeorge:** I think you need to expand the question a little, because I am not quite sure where you are going.

**Pam Duncan-Glancy:** You were asked earlier in this meeting about recruiting extra people and about the decisions made when deficits were reported and you decided not to change course. You told the committee that you acted on the information that you got and that you did not get any information that would have been contrary and

that would therefore have made you change your mind.

**Dr McGeorge:** I think I said that, with hindsight, having looked at the Gillies report and at the information that is available to me now, compared to the information that I saw and the way that I judged it then, it is clear that we should and could have taken action earlier to reduce costs in the university. I fully accept that and I fully accept my part in not recognising that and not taking action earlier. We would all be in a far better position had we done that corporately, as an institution, and had I played my part in doing that.

**Pam Duncan-Glancy:** Peter Fotheringham, you said earlier that information about the financial picture was not necessarily easily available to you in August and September 2024. Baroness Alexander asked you to show her the management accounts at that point and got no reply, and those accounts were absent from the information that was shared with UEG and the court. Why was that?

**Peter Fotheringham:** That is actually inaccurate. In September 2024, when those accounts were requested, they were provided. I was not asked that question and did not make that clear to the investigation team, but they were provided as part of the UEG meeting in late September. All of those accounts were provided at that point.

**Pam Duncan-Glancy:** Why did you not make that clear to the investigation team?

**Peter Fotheringham:** I was not asked the question.

**Pam Duncan-Glancy:** Okay.

What total savings did you come to in the 2024-25 budget, and how were those allocated?

**Peter Fotheringham:** I do not have specific information about that. I think that the savings are in the report. They were allocated to all university departments on the basis of their staffing size, cost trend history and level of discretionary spending budget. Some departments have less discretion over their budgets, and we did not want to allocate so much saving to them because certain costs were committed or required for the student experience, so they were not allocated such large savings amounts. The allocated savings were based on a range of factors, which were supported by a number of people in the finance team.

**Pam Duncan-Glancy:** Were all the savings allocated?

**Peter Fotheringham:** All apart from a smaller amount, which—I want to say that we assumed, but that is not correct—was held back for central

costs that do not get allocated, such as student scholarships and bursaries, which are a big cost to the university. With a reduced number of students, we would expect there to be a reduced spend against that.

**Pam Duncan-Glancy:** There are three different figures for the savings that were required. The court was given a figure of £23 million, Dr McGeorge referred to £40 million and the finance committee spoke about £35 million. Which figure is it?

**Peter Fotheringham:** It would help if you could clarify the question in terms of savings. Against what was in the original budget, which was published in June, it would have been the £23 million or whatever it was, but the savings that were required increased because of the scale of the student recruitment undershoot in September.

**Pam Duncan-Glancy:** When the cash concern had dropped to about £32 million and that issue was raised with the financial director, his response was, “Don’t worry about that.”

**Peter Fotheringham:** That was not the response. That sentence is only a short extract of the email.

**Pam Duncan-Glancy:** Are you saying that absolutely none of the information that appears to suggest that the information that was available to you was different is correct?

**Peter Fotheringham:** No. I am sorry, but I am not quite following the question.

**Pam Duncan-Glancy:** So, are none of those assertions correct?

**Peter Fotheringham:** Which assertions?

**Pam Duncan-Glancy:** That the financial director replied to say, “Don’t worry about that.” Was there more to it than that?

**Peter Fotheringham:** The part of the sentence from the email that was provided in the evidence ignores the rest of what the email says.

**Pam Duncan-Glancy:** What does it say?

**Peter Fotheringham:** It said very clearly that we would have to deliver significant savings in order to maintain cash reserves, plus all the other budget or forecast assumptions would need to be in place. The university executive group met as a team for two days to discuss what emergency actions would be required, and it was very clear that the position was not strong and that significant and immediate action was needed.

**Pam Duncan-Glancy:** Am I right in saying that the UEG minutes suggested that there would be a 35 per cent downside in recruitment in June that year?

**Peter Fotheringham:** Maybe. I cannot recall the minutes and I do not have the papers in front of me. I do not think that they said that there would be, but, when we were concluding the budget, we assumed a 25 per cent reduction in student recruitment. In the paper, we noted the potential impact of a downside scenario of 35 per cent. We highlighted to committees and the court that, regardless of what was in the budget, there was a high level of uncertainty about the outcome.

**Pam Duncan-Glancy:** Dr McGeorge, we have spoken about this before and other members have asked questions about it. During all of this, staff were recruited, and a number of staff may lose their jobs as a result of some of the decisions that senior management took. The Gillies report says:

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

What is your response to that?

**Dr McGeorge:** I am not going to disagree with the report. It is clear that the staffing levels that the university was sustaining up until January-February 2024 were appropriate and could be justified. The issue is about the gap between February-March 2024 and September. That is when we did not spot—and should have spotted—that we needed to start to reduce the number of posts, freeze vacancies and introduce a VS scheme soon.

**Pam Duncan-Glancy:** Amanda Millar, we have discussed members and who attended court. At any point, did you ask vice-principals not to attend committees?

**Amanda Millar:** No.

**Pam Duncan-Glancy:** So, vice-principals were able to attend committees if they wanted to.

**Amanda Millar:** I have no recollection of asking vice-principals not to attend committees.

**Pam Duncan-Glancy:** Okay. You said earlier that members were invited if the situation that was being discussed was relevant to the portfolio that they led. You discussed the globalisation strategy in, if I am right—I will not flick back through my notes, as that will take too long—about November 2023. Were the relevant vice-principals and executive team members at that court meeting?

**Amanda Millar:** I cannot remember that specific court meeting. The agreement in relation to vice-principals being invited was with the principal. In advance of every meeting, I raised with him who was coming from the executive group to speak to particular areas.

**Pam Duncan-Glancy:** Did he choose who went?

**Amanda Millar:** I sometimes questioned it, but, largely, yes.

**Pam Duncan-Glancy:** Did you ever feel that you did not have the right people in the room?

**Amanda Millar:** At the time, probably not, but with hindsight, who can say?

**Pam Duncan-Glancy:** You also said earlier—or somebody said; forgive me if it was not you, Amanda—that the principal had the expertise.

**Amanda Millar:** He felt that he had the expertise, yes.

**Pam Duncan-Glancy:** In what particular areas?

**Amanda Millar:** It would be fair to say that he felt that he had a high level of expertise in the international space, which was probably indicative of the move to the globalisation process. I cannot remember the exact wording, but growth and globalisation were the motivation.

**Pam Duncan-Glancy:** How so?

**Amanda Millar:** As I recall, his description and belief was—and his CV would appear to indicate—that he had a lot of international experience and understanding.

**Pam Duncan-Glancy:** Did that view of himself influence whom he advised to go to the court or whom he invited to come to the court?

**Amanda Millar:** I cannot speak to that, because I am not him.

**Pam Duncan-Glancy:** Did you get all the information that you needed? That is ultimately the question.

**Amanda Millar:** The Gillies report would appear to suggest that, no, we did not.

**Pam Duncan-Glancy:** Did the principal perhaps gatekeep some of the information?

**Amanda Millar:** I have reflected a lot on that, and I firmly believe that the dynamics within the senior executive team impacted the delivery of information to the court and the ability of the court, in its collective responsibilities, to effectively assess, analyse, challenge and decide.

**Pam Duncan-Glancy:** What sort of dynamics?

**Amanda Millar:** Not positive ones.

**Pam Duncan-Glancy:** Okay. One of the pieces of information that we had in advance of this meeting said that dissent was not welcome. I suppose that would be one of the not-so-positive dynamics. Dissent was not welcome, challenge was “shut down” by senior management and female members of staff were

“spoken over, sidelined or discussed in public as being obstructive”.

Did you ever see any of that or get an indication that that was the case?

**Amanda Millar:** In my very early days of being the chair—I might not even have been the chair yet, but I was at a meeting—I saw what I considered to be inappropriate behaviour and use of language towards a particular female individual. That was a conversation that I ensured was had by the previous chair of the court with the former principal. I also had a conversation in the early days about the appropriateness of language. Did I directly see anything like that thereafter? I do not recall. I am confident that, if I had, I would have raised it. I cannot speak to whether that means that matters were dealt with in a different way.

**Pam Duncan-Glancy:** Okay—I appreciate that. Thank you.

**The Convener:** Dr McGeorge, did you at any point communicate to any vice-principals that they could not attend any committee meetings?

**Dr McGeorge:** No.

**The Convener:** So, there will not be any evidence to substantiate the claim that I have received that you personally advised vice-principals not to attend.

**Dr McGeorge:** I do not believe so.

**The Convener:** Nothing at all.

**Dr McGeorge:** I do not believe so.

12:00

**John Mason (Glasgow Shettleston) (Ind):** Mr Fotheringham, I understand that you and I are both members of the Institute of Chartered Accountants of Scotland, so I will focus on the finances.

Can you explain the system with the management accounts? It appears that some of the accounts did not get to the court in a timely fashion. I assume that the accounts were prepared by relatively junior staff. Did they come to you after that?

**Peter Fotheringham:** The management accounts would not routinely go to court as part of the process. They went to the finance and policy committee, which was the ultimate governing body that received those management accounts. Before that, they would be shared at department level and then escalated up into a consolidated set of university accounts that would go to UEG before going to the finance and policy committee. That was the process. They went to a governing body but did not go to court per se and that was the case throughout my time at the university.

You are correct that a lot of staff were involved in the preparation of management accounts and

adjustments, which were then consolidated by more senior members of the team and drafted before coming to me or to the deputy director of finance for review.

**John Mason:** At what stage did the principal, Professor Gillespie, get the management accounts?

**Peter Fotheringham:** When they were shared with UEG meetings. All UEG members would receive those accounts with their papers in advance of meetings.

**John Mason:** Did he have the opportunity to see or comment on those accounts before that?

**Peter Fotheringham:** Not beforehand.

**John Mason:** Okay; fair enough.

I am interested in when the problems should have been picked up. According to Professor Gillies's answer to question 12 of the report,

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

Do you agree that that should have been the case or do you think that she has misunderstood?

**Peter Fotheringham:** I think that it was the case. It was certainly clear to me in the reports presented to UEG and to the finance and policy committee that we were not going to achieve budget in that year. There was no debate about that. The outturn was still uncertain in December, because there was still a January student intake to come and that was uncertain, but it was very clear that we were not going to achieve budget in that year because of the student underrecruitment against budget in September 2023.

**John Mason:** I imagine that it was at about that time that the accounts to July 2023 were being finalised.

**Peter Fotheringham:** Yes; they were finalised and signed in December 2023.

**John Mason:** The auditors, EY, would have known. Their accounts stated that they thought that the university would be a going concern right through to July 2025.

**Peter Fotheringham:** Yes.

**John Mason:** That has clearly been proven not to be the case. Did they discuss that matter with you or discuss how serious the university's problems were?

**Peter Fotheringham:** Yes. In December 2023, we definitely did not understand the scale of the downside that we were going to face in 2024-25. That was the case across the sector. We discussed a downturn against that budget. The budget that we had in place in 2023 still expected



an upturn, but that did not happen. As part of the closure process, we discussed what the potential forecasts might be, but they were nothing like the scale of the downside that we ended up facing in September 2024.

**John Mason:** Did the auditors broadly agree with you on that?

**Peter Fotheringham:** We agreed on the final forecast projections at that point. They were behind budget, but not to the scale of the reduction, given the changes that we faced due to the downturn in student recruitment and our inability to deal with that.

**John Mason:** As I understand it, the July 2023 accounts are a completely clean report, but we now have a letter from the auditors, EY, saying how many reservations they have about the July 2024 accounts. I am a little surprised that they did not flag up any concerns, which brings me to the internal auditors, who also did not seem to be flagging up major concerns at that point. Is that the case?

**Peter Fotheringham:** Certainly, the internal auditors raised no concerns with me but, as I said, a lot changed over a long period. It is easier to look back than to be aware of it at the time but the landscape for our ability to generate income through student recruitment and other areas significantly deteriorated. As the Gillies report indicated, that probably became clearer by March 2025.

**John Mason:** March 2024.

**Peter Fotheringham:** March 2024—sorry, yes. That was the point when we went through the year-end process for 2023. Our outlooks and the forecasting that was done at that time, including pessimistic scenarios, did not suggest that the situation would be anything like as bad as it was. Therefore, nothing was highlighted at that point.

**John Mason:** I understand that the internal auditors made a number of recommendations but none was high priority in 2023 or 2024. Is that the case?

**Peter Fotheringham:** Not from my recollection of the internal audit recommendations. I think that the internal audit programme would have reflected all university operations. The internal audits are not just about finance but look across a number of different areas. However, from my attendance at the audit and risk committee, I do not believe that there were any high-priority actions.

**John Mason:** Who were the internal auditors?

**Peter Fotheringham:** I do not know whether they still are but, at the time, the internal auditors were KPMG.

**John Mason:** That is another of the large four firms.

We have already had a little bit of talk about the slightly hostile environment and the fact that the principal was quite a strong personality, let us say. I wonder whether that is something that the internal auditors might have flagged up. Would you expect them to do that?

**Peter Fotheringham:** It is a very good question. I guess that the internal auditors' work programme would have covered all parts of the university's operations. They would look at health and safety, risk—

**John Mason:** They are looking at the system, are they not?

**Peter Fotheringham:** They are looking at the broader system of controls across the university, including different areas of finance. I am not aware that that would have brought them into contact specifically with the point that you mention.

**John Mason:** What was your relationship with Professor Gillespie? I have been the main finance person in a much smaller organisation and had quite a strong character as my boss. The Finance and Public Administration Committee visited the University of Dundee last summer. We did not look at the finances, it must be stressed, but we got a very positive and exciting tour of the place from Professor Gillespie. How did the relationship between you and him work?

**Peter Fotheringham:** Are you asking in general terms?

**John Mason:** Yes. When I had a chief executive who was a bit like that, I was the one who had to say no to him. I was the one who had to say that he was being too optimistic, what the actual occupancy figures were or whatever it was.

**Peter Fotheringham:** I do not really believe that Professor Gillespie was that involved in setting forecasts or making projections. Those budgetary assumptions and forecast assumptions were consolidated from people across the university and brought upwards rather than otherwise. For example, although all of UEG approved the assumption on student recruitment, it was not Professor Gillespie's suggestion.

**John Mason:** Does that suggest that he did not get involved in a lot of the detail?

**Peter Fotheringham:** He signed it off. How involved he got in the detail he can answer for himself. Certainly, they were not his core assumptions. He was not imparting his assumptions on to everybody else.

**John Mason:** Right. It was not that you presented a figure and he came along and said that it was too good or too bad.

**Peter Fotheringham:** No.

**John Mason:** So that was not really happening. He just accepted the figures.

You knew that you had to make the saving. Mr George Adam asked you about the betterment title. I have been out of the loop for a little while so I do not know whether that is a commonly used term. It appears to be a general saving that has not been allocated.

**Peter Fotheringham:** Yes.

**John Mason:** As the finance director, was it not your job to allocate it?

**Peter Fotheringham:** Yes, it was.

**John Mason:** Why was there even a betterment fund? Why did the money not go straight into departments?

**Peter Fotheringham:** That could have been handled and managed more swiftly. I do not particularly like the word “betterment”. Somebody on the team used that word rather than call the fund “savings”. I guess that it flowed its way through, as such things sometimes do. It was a specific savings level that clearly needed to be allocated to departments, and it was, but perhaps not as swiftly as it should have been. The management of that was clearly not as strong as it should have been across the university.

**John Mason:** I was interested in your LinkedIn profile, which says that you are:

“Skilled in translating financial strategy into practical deliverables.”

I would have thought that that scenario required exactly that approach, because you knew that a big saving had to be made. Was the strategy translated into practical deliverables? Not really.

**Peter Fotheringham:** Not as quickly as it should have been.

**John Mason:** I will leave it at that.

**Miles Briggs (Lothian) (Con):** I want to return to something that you said, Mr Fotheringham. You mentioned that there had been finance resilience issues on previous occasions. What did you mean by that and what timescale did you mean?

**Peter Fotheringham:** Could you clarify that, please?

**Miles Briggs:** In answer to some of the questions on court members and the information that you gave to them, you said that the university had previously experienced financial resilience issues. What did you mean by that and which period were you talking about?

**Peter Fotheringham:** I am really sorry: I do not recall the context of that. I think that what I meant was—

**Miles Briggs:** It suggests to me that there had been concerns about the university’s finances in previous years.

**Peter Fotheringham:** In the Covid period, there were certainly significant concerns about the university’s position, which was remarked on by the auditors in financial statements. Before that—I cannot remember which years, because it was before I started my role—the university had gone through quite a serious financial challenge. In recent memory, the university has never been in a strong financial position. Its financial position is structurally challenged and has been for some time, and a large amount of research activity needs to be cross-subsidised, which is what I was referring to.

**Miles Briggs:** Okay. Thank you. How would you describe your relationship with individuals at the Scottish Funding Council? That question is to both of you, Mr Fotheringham and Dr McGeorge.

**Peter Fotheringham:** I am happy to answer that first. It feels like a slightly loaded question.

**Miles Briggs:** It is not meant to be. I am only wondering what your relationship is with the organisation, as you were reporting to it.

**Peter Fotheringham:** The Scottish Funding Council’s involvement is an area in which the Gillies report accurately made suggestions for improvement. On the whole, there was very little dialogue.

**Dr McGeorge:** I had a similar experience. There was relatively little dialogue, but the dialogue was very cordial. We had regular visits from our Funding Council outcome agreement team, which were very positive. We were able to talk about the university’s strategy, what it was trying to achieve and the ways that the university was looking to contribute to Funding Council outcomes and, therefore, what the Scottish Government was looking for. Relationships were good, and my relationships with individuals at the Funding Council were productive and positive.

**Miles Briggs:** In your time at the university, were you aware of the duty that you had to report to the Funding Council? Had you made sure that you were acutely aware of what your duties were?

**Dr McGeorge:** I was well aware of my duties to report on things such as the outcome agreement and statutory returns, particularly as they related to students. I was less aware of the financial duties—that was Peter Fotheringham and his team’s job.

**Peter Fotheringham:** In terms of any calls for information, we certainly provided information on time and in full. When it came to other areas in which we understood that we were required to liaise with the SFC, we definitely did so through various processes over my time as deputy director of finance and director of finance.

**Miles Briggs:** You do not seem to have a close relationship with the SFC, Mr Fotheringham, so was it purely transactional, with you providing that information? In the report, the SFC is quite scathing, but that is post any opportunity for it to have known earlier.

Given the email that you sent, Dr McGeorge, you seem to have developed a close, friendly relationship. Did that mean that you felt that you could not or did not need to provide the SFC with all the information on time that the SFC now says it never received?

12:15

**Dr McGeorge:** No, not at all.

**Peter Fotheringham:** No. I would say that my interactions with Scottish Funding Council employees were largely transactional, but I always followed up any queries or questions, whether they were requests for information or opportunities to share things with the SFC. That was always done.

**Miles Briggs:** Has anyone ever raised a complaint about the performance of any colleagues or other individuals on the court or board of Dundee university?

**Peter Fotheringham:** No, not with me.

**Miles Briggs:** Have you raised any complaints?

**Peter Fotheringham:** No.

**Amanda Millar:** The information that I received that allowed me to take action resulted in me taking action on the same day.

**Miles Briggs:** Are you aware of other members raising concerns? Did they speak to you either formally or informally?

**Amanda Millar:** No one spoke to me in any way that put me in a position in which I could have escalated concerns or done something about them.

**Miles Briggs:** I assume that that is the same for the other witnesses.

On the potential financial health checks, had any of you expressed concern among yourselves about organisations that should have been coming to the university to look at that and whether they had been directly involved? There seems to have been financial mismanagement throughout the

organisation, as shown in the Gillies report and the evidence that we have received.

**Amanda Millar:** I am not sure that I understand the question.

**Miles Briggs:** Were you aware of the reporting mechanisms that the university should have had and that the court should also have been aware of?

**Amanda Millar:** I was aware of the connection with the SFC in relation to reporting requirements.

**Miles Briggs:** Did you or anyone from the court ever question whether the SFC was involved or whether it should have been involved at an early stage? Was that just left to senior management?

**Amanda Millar:** I do not recall any direct conversations in relation to that.

**Miles Briggs:** The SFC is meant to be doing that financial health check for the university sector, so it is concerning that it is not getting that information; some of the relationships are concerning as well.

**The Convener:** The committee members have been asking the questions, but we have been joined by two regional MSPs who take a significant interest in the issue. They have been waiting patiently, so I will now bring them in. Michael Marra will go first.

**Michael Marra (North East Scotland) (Lab):** I will start with the declaration of my former employment at the University of Dundee in two different spells over a period of 14 years. I certainly know Dr McGeorge personally from that time and, given the focus on personal relationships in the university, I thought it best to declare that to the committee and to the many members of the university community who are watching today, aghast at what has happened to the place that they have all loved, as you have all said that you do.

One of the things that has been said to me most frequently is that these people have set the university alight and then just walked away, so I want to start with your departure, Dr McGeorge. I believe that you were suspended from your position, then you left the employment of the university. Can you tell us the terms under which you left the university?

**Dr McGeorge:** I cannot. I am bound by certain obligations of confidentiality that mean that I am unable to go into that matter.

**Michael Marra:** A letter from Ernst & Young to this committee refers to a report from Shepherd and Wedderburn that, I am led to believe, is about your departure. Is that correct?

**Dr McGeorge:** Again, my answer is the same. I am bound by obligations of confidentiality that mean that I am not in a position to discuss that.

**Michael Marra:** Given the nature of the discussions that we have had today regarding your conduct in office, and given the report that has been commissioned by the Scottish Funding Council, which details, as the convener set out, the very considerable weight given to your conduct, did you leave on grounds of gross negligence?

**Dr McGeorge:** I can keep giving the same answer if you wish, but the answer to that is no.

**Michael Marra:** The answer to that is no.

Did you sign a non-disclosure agreement with the university?

**Dr McGeorge:** I am not in a position to give a different answer to those that I have given. I am bound by certain obligations of confidentiality that mean that it is not appropriate for me to answer that.

**Michael Marra:** Is there an agreement between you and the university, to which you are a signatory? Do you understand why this is a reasonable line of questioning, given all that has gone before?

**Dr McGeorge:** I do, and I hope you understand why I am not in a position to answer.

**Michael Marra:** I am not really sure that I do, to be honest. You are claiming some form of legal protection—or some obligation rather than a protection—but I would like to know why you think that you left the university's employment. Do you accept the rationale for your sacking?

**Dr McGeorge:** No.

**Michael Marra:** You do not. Okay.

We might hear a little more about the Shepherd and Wedderburn report, which I asked to have provided to the committee. I know that the convener asked the university to provide that and that the university has taken legal advice on it.

I put the same point to Peter Fotheringham. Your departure from the university has been described to me by various people as the first clear external indication of the turmoil that was going on behind the scenes. Did you leave because things were getting so bad?

**Peter Fotheringham:** No.

**Michael Marra:** Why did you leave?

**Peter Fotheringham:** There were multiple reasons. The main reason why I left was because, as has been covered in earlier questioning, it is difficult to be in a job that you are not enjoying and

in which it is difficult to engage at the level that you should engage at. I was in a big and difficult position. It was my first role as a finance director and I quickly found out how lonely and challenging that role can be at times. I also had some reminders in life about how short life can be.

In about April or May 2024, I was approached about another role that focused heavily on a positive culture and engagement; I followed it up and was offered the position. I thought that moving on was the right thing for me personally. I understood that that would be a difficult thing for the university in its current predicament. Things were going in the wrong direction, so I made it clear that I did not want to shorten my notice period in any way or to take any annual leave that I had not taken, because I wanted to see that through. It was a personal decision.

**Michael Marra:** I think that people would struggle to believe, given the content of the Gillies report and the evidence that we have heard today, that the crisis that was unfolding behind the scenes played no role in your decision no longer to be the director of finance.

**Peter Fotheringham:** The challenging position that the university was in was definitely a contributory factor in my emotions and in the overall decision that I made. I was not seeking another role, but I was approached and leaving felt like the right thing for me to do at that point.

**Michael Marra:** Dr McGeorge and Mr Fotheringham, you have both mentioned the longer-term challenge that the university faced. There was a cycle of financial problems—certainly not at the level of the existential crisis that the university faces at the moment, but for a long period of time. I am interested in the strategic posture of the university. What was it trying to achieve? Dr McGeorge, what do you think the university was trying to do? Where was it trying to go during the past couple of years?

**Dr McGeorge:** The direction is set out in the university strategy that we were following, which is about transforming lives, being as successful an institution as we could be, remaining research intensive and taking forward the three key strategic priorities of academic excellence and performance; growth and globalisation; and getting our corporate infrastructure into the best possible state. There was a vibrant campus agenda. We aimed to do all that while being as financially sustainable as possible.

**Michael Marra:** The target that was expressed was to be a £500 million turnover organisation.

**Dr McGeorge:** That target was set as an aspirational goal during a court retreat, in an environment that had positive headwinds for international student recruitment. In that climate,

which we believed that we were going into, the target was potentially achievable and would have given the university critical mass that could have enabled us to break out of being permanently at or around the break-even point, or a little bit worse than that. The target was set to help us to grow and reach a position in which we were able to be masters of our own destiny. Quite rapidly, we realised that the changing environment for student recruitment, in particular, was such that that was not a realistic aspiration.

**Michael Marra:** Not rapidly enough—but we will come back to that.

There is a mismatch between the fragility of the university's finances, which you have both described during the evidence session as a long-term structural problem, and betting the house—the whole thing—on growth. The people who are now paying the price are the at least 300 people, and potentially many more, who are losing their jobs en masse. Was that not a catastrophic bet that was placed by you as the chief operating officer, as well as by the finance director and the principal?

**Dr McGeorge:** I think that just about every university in Scotland has had to place that bet, as well as most universities in the UK. We have had 15 or more years of chronic underfunding of teaching and research in our nation's universities, such that we lose money on every student and pretty much every research grant that we take. That has meant that the only way to balance the books has been to grow international student numbers. Most institutions have become overly reliant on plugging the gap with international students. We then faced a combination of circumstances, including the situation with the Nigerian currency, our league table position falling a bit and, especially, the UK Government's change to immigration rules, which pulled the rug from under our feet.

**Michael Marra:** Would you say, Mr Fotheringham, that the drive for growth at that level was a significant mismatch between the underlying structural problems of the institution and what was achievable?

**Peter Fotheringham:** The strategic intent to grow to a certain number was never backed up with any plans. It was an aspirational target that was used publicly, but it certainly was not backed up in our income targets or spend targets. As Dr McGeorge has laid out, the University of Dundee has limited options to grow its income. The university can grow research income, which grows our costs, but we have not really identified other significant opportunities for income growth through commercial or other third streams, if you want to call them that. Given that the structural underfunding, which we have talked about, was

very much in place, all universities in Scotland and the UK, to a greater or lesser extent, were focusing on regulating—

**Michael Marra:** I hear that, but you were the person with sight of the accounts. You have come to the committee today and said that the University of Dundee had a long-term challenge in this area. As much as you say that, as an institution, you needed that growth, was it not particularly exposed to the risks of that at the same time?

**Peter Fotheringham:** That exposure was critical. The growth in international income over a sustained period of time, which is laid out in Baroness Alexander's evidence, was important and helped the university to get to a better position, but, clearly, the drop-off was very damaging.

**Michael Marra:** That strategic bet was a massive failure on the part of all three of you and the rest of the executive, was it not?

**Amanda Millar:** We have heard about the aspirational figure of £500 million, which, as Peter Fotheringham has said, was not backed up. For that to be aspirational for the institution is entirely appropriate. As for how things have played out in our endeavour to deliver that, in the presentation of papers and so on and in the ability to make meaningful decisions and avoid where we are at, that has been far from ideal, and there have been missed opportunities in that respect.

12:30

**Michael Marra:** Aspiration is one thing. The Gillies report describes it as "hubris" on the part of the institution, particularly regarding the role of the principal. In the annual report, published in July 2025, he said:

"The year covered in this annual report has been one of consolidation, achievement and continuing recovery from the challenges of the pandemic, and of an institution blooming in the face of considerable ... headwinds."

That was entirely untrue when he said it in 2025. Is that not right?

**Dr McGeorge:** You will have to ask him that, but it certainly does not look right now, does it?

**Michael Marra:** Sorry—I meant to say "July 2024"; we are not quite at July 2025 yet. I think the principal would still be saying that now, however, if he had not been caught.

I turn to the issue of the cash position; we might come back to the recruitment side. The Gillies report directly identifies the huge amounts of on-going expenditure. In our evidence session today, you have said that the finance team was underresourced. Instead, you had a massive expansion in the number of academics. Did you

not make the case that your finance function needed more resource to ensure that you had a resilient organisation, whereas you were employing hundreds of additional academics?

**Dr McGeorge:** It would be for Peter Fotheringham to make that resource—

**Michael Marra:** You were responsible for the budgeting of professional services in the institution, on both the expenditure side and the savings side. Am I right?

**Dr McGeorge:** Yes, for the professional services directorates that I—

**Michael Marra:** Did you not make the case to say that there was underresourcing of that capacity, of which we have seen clear evidence today?

**Dr McGeorge:** No, I did not.

**Michael Marra:** You did not. However, you were on the UEG, and you continued to sanction massive expenditure across the whole organisation.

**Dr McGeorge:** We sanctioned expenditure where we thought it was justified and merited according to the strategy.

**Michael Marra:** The strategy was wrong.

I wish to ask, in particular, about the allocation of the money from Exscientia. A commentary in the Gillies report describes a complete lack of clarity as to how that money was allocated. Mr Fotheringham, how did you understand the exit from the Exscientia company and where or whether that money was earmarked?

**Peter Fotheringham:** It is important that I again highlight that, when the Exscientia spin-off was generated through the university, I was not a member of the UEG and I did not attend any court meetings, so I cannot attest to any discussions that were had at that time.

My understanding was that the moneys would not be spent on a wish list—that is the key thing. The strategic intent was for them to bolster the university and support its strategy renewal. We talked about “ring fencing” as a general term: we discussed what it would mean legally and whether we could do that. It was not really possible without—

**Michael Marra:** When did you take that advice?

**Peter Fotheringham:** Advice was taken between 2021 and 2022 in relation to how that would look in the financial statements. What would we need to do in order to call the money a ring-fenced reserve? That was theoretical; it was not practical, and that was not done on anybody’s request or questioning. It was more so that I

understood what the term “ring fence” meant and what the benchmark was for delivering that in the financial statements.

My core understanding was that the funds could be used to support the renewed strategy. That renewed strategy was published in 2022, to my recollection, and it was partly about renewing the capital programme for the university, the serious underfunding of capital and fixed assets across a sustained period, and the key opportunities that would be involved.

**Michael Marra:** Dr McGeorge, did you believe that that money had been ring fenced?

**Dr McGeorge:** I did not believe that it had been ring fenced in a structural way; I believed that it was to be used to drive and help to deliver the strategy.

**Michael Marra:** Were you surprised when it turned out that it had been spent?

**Dr McGeorge:** Yes.

**Michael Marra:** You were surprised. So, you thought that £40 million was theoretically ring fenced and suddenly you were surprised that it was gone, despite the fact that you were the person who was sanctioning the expenditure on the kind of capital programmes that Peter Fotheringham spoke about. Is it a surprise to you, Mr Fotheringham, that Jim McGeorge did not realise that £40 million had disappeared?

**Peter Fotheringham:** It is a surprise to me that anybody did not know that the uses of the fund were part of that strategy. I was clear that they were there to bolster the university’s position. Without those funds, the university was in a poor liquidity position. They were critical to the university’s position in 2021—we had very little cash during the Covid period and the funds made a transformative difference to our position. However, the university was never generating enough cash to spend on its fixed-asset programmes—that was clear from the budget process and the numbers that were presented.

**Michael Marra:** Dr McGeorge, how do you react to that? Your director of finance thought—or just assumed, perhaps—that you would know that from an examination of the accounts. What was your reaction when you found out that £40 million had gone and that you had spent it?

**Dr McGeorge:** I thought that the university had spent it and had invested it in projects that it believed were the right projects to invest in, according to its strategy—

**Michael Marra:** Sorry, Dr McGeorge, but you were in charge of the departments that actually ran those projects. The director of estates reported to you at that point. No money was going out of

there that you were not responsible for. Did you just think that there was an infinite pot of money?

**Dr McGeorge:** No, I did not.

**Michael Marra:** It sounds like you did. A big part of this is the rapid deterioration of the cash position that has left the university exposed so that it cannot make the kind of manoeuvres that other institutions can make. For example, the University of Aberdeen is in perhaps the second or third round of voluntary severances, whereas the University of Dundee was not in a position to do that; it had no money to do so due to the rapid expenditure of that money. Mr Fotheringham, were you not sounding alarms about the expenditure side of this when you could see that the cash position was deteriorating so rapidly?

**Peter Fotheringham:** Again, as the report highlights, we had the opportunity in March to be clear about savings. That is when I thought that it was clear to other members that we needed to take action to deliver the savings—it would not just happen by itself. From that point onwards, there was little commitment to any other capital programmes, and other activities followed the same principles. However, I guess by that point a lot of commitments had already been made and projects were nearly complete with regard to cash going out the door.

**Michael Marra:** Who decided to make up the shortfall in the Tay cities deal project that had grown the biomedical cluster, Dr McGeorge? Whose decision was that?

**Dr McGeorge:** It was a decision that went to the court.

**Michael Marra:** It went to the court. Was that on the recommendation of the UEG?

**Dr McGeorge:** It went on the recommendation of the UEG and the finance and policy committee at the time.

**Michael Marra:** That is not part of the core business of the university, is it? The core business of the university is teaching people, research and some level of knowledge exchange. Building incubator buildings, as fantastic and important as they might be, is not the job of the university, is it?

**Dr McGeorge:** The former principal would say that the university is a key engine of Dundee and that supporting the creation of a life sciences innovation district and an innovation hub that could create new businesses for the city is a positive thing. The decision was made when our financial outlook was rather different from the one that applies now. In hindsight, had we known what was to come, particularly in relation to the drop in international student numbers, we might not have made that decision. However, at the time, the

outlook was positive, and we believed that we were moving into a much more sustainable future.

**Michael Marra:** Let me turn to the issue of the income from international students. In the previous evidence session that we had on the topic, I said to the then leaders of the university that it was not necessary to have a PhD or decades of experience in a university to understand that the Nigerian currency had collapsed; a subscription to *The Economist* was sufficient to understand that.

In the early part of 2024, two national reports were published that sounded great alarm and advised caution in relation to UK immigration policy and the international recruitment environment. Did you not take note of those warning signs?

**Dr McGeorge:** I think that we did take note of them. The people in our organisation who had expertise in that area came forward with a figure for the level of reduction that we might expect, and that was built into the budget. That was the 25 per cent figure.

**Michael Marra:** In her evidence, Wendy Alexander said that, at the June meeting, she asked for that figure to be 35 per cent. However, it was not changed—it remained at 25 per cent. Why was her advice disregarded, given the public warnings?

**Dr McGeorge:** I think that there was an agreement to model the 35 per cent reduction.

**Michael Marra:** Is it correct that the budget continued to be based on a 25 per cent reduction?

**Peter Fotheringham:** I believe that the recommendation was subsequent to the approval of the budget.

**Michael Marra:** The budget was approved based on a 25 per cent reduction, despite the fact that there were external warning signs.

**Peter Fotheringham:** Subsequently.

**Michael Marra:** That was subsequent, but the public warnings from Universities UK and others were made prior to that, were they not?

I had a direct conversation with Professor Shane O'Neill, who told me that there was a perception within the university executive group that, for some reason, Dundee would buck the trend and would be different from other universities that were experiencing large collapses in recruitment. Is it not the case that you just thought that, for some reason, Dundee university would be different?

**Dr McGeorge:** I did not. Recruitment held up reasonably well in September 2024. There were people who felt that there was a possibility that we might do a bit better than the rest of the market in

January 2025, because we had had some quite positive January recruitments in the past. That turned out not to be the case. The 25 per cent figure that was landed on for the budget came from the international team and people with expertise in the area, and that was the figure that we went with.

**Michael Marra:** I have also spoken to sources in the university in student recruitment, who said that they were sounding the alarm on the issue way before then, that the figures were entirely unrealistic and that management were told that but did not listen.

**Dr McGeorge:** I was not told. I believed that the 25 per cent figure had come from the team that was responsible for pulling those figures together and that that was an appropriate figure to build into the budget.

**Michael Marra:** In the autumn, the underperformance in relation to the September intake accounted for an underperformance of approximately £9 million against the budget. What level of savings was written into the budget at that point?

**Peter Fotheringham:** The budget did not move. Are you asking about forecasts changing?

**Michael Marra:** Yes.

**Peter Fotheringham:** It has been quite a long time, and I do not have the numbers in front of me, but to have a significant reduction in income when there were already significant savings to be made was clearly going to be a big challenge.

**Michael Marra:** Those savings were not being realised, were they?

**Peter Fotheringham:** The savings could only be realised going forward, in line with the plans of different units of the university.

**Michael Marra:** But the head count was going up. At a point when £35 million of savings had been allocated in the budget, the head count was increasing. Mr McGeorge, what do you think of the decisions to continue to recruit more and more people?

**Dr McGeorge:** It is clear that we should have stopped recruiting in early 2024. I have said that several times. We ended up doing that in September, rather than February or March.

**Michael Marra:** I will refer to one specific instance. The audit and risk committee of the university met on 23 October, and a minute of that meeting was presented to court on 12 November. That minute says:

"At the balance sheet date, the University had access to a £40m Revolving Credit Facility (RCF) with the Bank of Scotland. This RCF has never been drawn since its initial

agreement in 2016. The RCF has been renewed since the balance sheet date and is now in place until October 2026."

Given the evidence that we have heard today, none of that was true at that point, was it? There was no access to a revolving credit facility. As Mr Fotheringham has already told us, that had not been renegotiated with the bank. Who would have prepared that minute?

**Dr McGeorge:** Who would have prepared the paper? It would have been the finance team.

**Michael Marra:** The finance team. Who would have been responsible for it at that stage?

**Dr McGeorge:** Peter Fotheringham had left, and I do not think that the interim director had started at that point, so it would have been the deputy director of finance.

12:45

**Michael Marra:** Could you name the deputy director of finance at that time?

**Dr McGeorge:** It would have been Deborah Stanfield.

**Michael Marra:** That paper has to be signed off by the UEG before it goes to court, does it not?

**Dr McGeorge:** Yes, it would normally be signed off.

**Michael Marra:** You did not know that those things were untrue at the point at which you signed it off?

**Dr McGeorge:** I did not know that we had breached the covenant at that point.

**Michael Marra:** At the meeting of court on 12 November, a note was issued to say, please—

**The Convener:** I want to stop you for a second, Mr Marra.

Mr Fotheringham said that he told you before he left. Therefore, if, as you say, the paper was prepared by the deputy director, you would have been aware at that time.

**Dr McGeorge:** Yes. Sorry, I apologise. It was mentioned that it had come up at the finance and policy committee, so, yes, I was aware of it.

**Michael Marra:** Thank you for picking that up, convener.

The core of the issue is that there was a minute of the audit and risk committee meeting that set out a series of untruths that was—according to you—prepared by the finance team, which was signed off by the UEG and sent to court. At some point before 12 November, the game was up, and you had to confess that what had been stated was untrue. Is that not the case?



**Dr McGeorge:** Yes, it was clearly untrue.

**Michael Marra:** How did that happen?

**Dr McGeorge:** At that point, everybody was moving very quickly in an effort to address the issue of the university's financial position and how we were going to save on staff costs, but, clearly—

**Michael Marra:** Hold on. We are not talking about addressing the situation; we are talking about covering it up. It was being said, at that point, that there was no problem, or that there was a very limited problem, and a paper was presented that said that everything was fine. Something then happened in that couple of weeks that meant that it became clear that the game was up. Is that not right?

**Dr McGeorge:** I did not deliberately withhold information from the audit committee.

**Michael Marra:** Is that what is covered in the Shepherd and Wedderburn report?

**Dr McGeorge:** No.

**Michael Marra:** During that period of time, management accounts were not presented to the UEG in periods 9, 10 and 11. Is there any justification for those missing accounts? Mr Fotheringham, was that before, during or after your period of employment?

**Peter Fotheringham:** It was during my period of employment.

**Michael Marra:** Why were those accounts not presented to the UEG?

**Peter Fotheringham:** To the best of my recollection, the period 8 management accounts that went to the finance and policy committee were late for the UEG because of the challenges that we were facing due to sheer workload and the resource capacity of the finance team. The workload was significantly stretched, given budget allocations and so on.

**Michael Marra:** There was a significant challenge at that point, and you decided that the thing to do was not to present management accounts in periods 9, 10 and 11. That was the thing that would save you time.

**Peter Fotheringham:** There was no intention to not present them. The period of April, May and June that we are talking about was a period when we were going through the finalisation of a very difficult budget process and the allocation of savings, both in year and going forward. There was a significant temporary but challenging shortfall in resource. Basically, we moved to verbal updates, instead of focusing time on presenting papers, given that there were limited opportunities

to catch up. Once the issue was pointed out, they were definitely shared in full.

**Michael Marra:** Was there a view that the knowledge that the UEG had at that point should not be shared with court for some reason?

**Dr McGeorge:** No.

**Michael Marra:** A false minute was sent to court that the UEG signed off. Again, I am not hearing any rationale for that. I will ask court in a second. There seems to have been a culture in which there was no real faith in the oversight and governance mechanisms. You saw it as a pliant organisation that was not asking the right questions. To some extent, you were counting on that, and you were happy to send it false information.

**Dr McGeorge:** I would never knowingly have sent false information to the governing body.

**Michael Marra:** Amanda Millar, what were your strategic priorities as chair of court across your time in office?

**Amanda Millar:** My goal, as chair of court, was to endeavour to ensure—and to lead and support—good governance in the organisation. However, it is clear from the Gillies report that there have been missed opportunities in that respect, in that limited information was provided, information was not well presented, and there were potentially differences in presentation.

**Michael Marra:** Do you think that aiming to be an organisation with a turnover of £500 million after 10 years of financial distress was a good strategic posture? Did you agree with that?

**Amanda Millar:** Earlier, we talked about being aspirational. I do not think that that aim was directly mentioned in the strategic direction, but growth was the subject of an on-going conversation. In other evidence sessions, the committee has heard a lot about the need for cross-subsidy and the need to achieve growth in certain areas in order to be able to deliver cross-subsidy.

**Michael Marra:** I have reviewed a number of your regular reports to court. In essence, they amount to an account of your diary. They mention, for example, going to gallery openings. There is a picture of your dog in one of them. There is no sense of any strategic intent for the organisation in those reports. Do you feel that you provided any strategic guidance to the institution about what you thought was a reasonable course?

**Amanda Millar:** Again, my role as chair was about leading and supporting, having those strategic conversations in court generally and, I hope, looking at the delivery of decision making to ensure that the executive was delivering against

strategy and so on. That was the broader role and responsibility.

**Michael Marra:** So you were not a leader; you were a check and a balance. Is that right? You did not really have a vision for where the institution should go.

**Amanda Millar:** My vision was about ensuring that the organisation continued to thrive. The challenge was that we found ourselves in a situation that had become incredibly difficult, which resulted in me resigning in the hope of facilitating change. I felt that whatever I was trying to do was not achieving what was necessary to deliver that change, because I feel the pain and the distress—

**Michael Marra:** I will come back to your departure in a moment, Ms Millar. Was there any evidence of challenge on court on financial matters, which we see in the submitted evidence from the vice-principal international, Baroness Alexander? Were those kinds of questions being asked at court?

**Amanda Millar:** I cannot recollect specific questions, but I am aware of colleagues asking questions and bringing challenge. However, as I said earlier, it is clear from the Gillies review report that there were some missed opportunities in that respect, and court has a collective responsibility in that regard.

**Michael Marra:** Did you trust court?

**Amanda Millar:** Yes.

**Michael Marra:** So why were all the papers regularly not provided to members of court beforehand?

**Amanda Millar:** That is an executive issue.

**Michael Marra:** I am sorry, but what does that mean?

**Amanda Millar:** I was not responsible for producing the papers. The executive is responsible for producing papers for the court, and there is a secretariat team, which Jim McGeorge had a level of responsibility for in relation to the production of papers. I was not directly responsible for the production of papers, and I had regular conversations with colleagues with a view to getting—or with a view to endeavouring to get—papers out in good time in order to give court time to consider them.

**Michael Marra:** Professor Gillies is quite clear that that simply did not happen. Even since your departure, the culture of secrecy, which I think is represented in the report and which we have heard about, persists. No papers are released ahead of time. The Ernst & Young letter, which the committee has been sent, was displayed on a screen at court, rather than provided to people more generally. Was that not a failing on your part,

as the chair, to ensure the timeous provision of the right information to your court members?

**Amanda Millar:** Timeous provision is absolutely important, and I had an on-going conversation about that.

**Michael Marra:** But the matter was not resolved. As chair, you could have insisted that the papers be provided, but you did not.

You mentioned your departure. Did anyone tell you that it was time for you to step down from being chair?

**Amanda Millar:** No.

**Michael Marra:** Why did you think that it was time to step down?

**Amanda Millar:** I felt that it was fundamentally important for the institution for progress to be made in understanding, and delivering some resolution to, the issue that had arisen, in the interest of the university community. It became clear to me that the progress and speed that were required were not happening, for whatever reason. I felt that there was a decision that I could make in that respect, and I hoped that that would encourage another person to come in who could potentially make and drive that change.

**Michael Marra:** After the crisis broke into open public in November, there were months of silence from the leadership of the university. Despite front-page newspaper headlines telling 3,000 members of staff that the university might close, there was silence. Were you one of the people who were advocating for that silence?

**Amanda Millar:** I was advocating for clarity and transparency and for the ability to deliver those. I have previously highlighted that.

**Michael Marra:** You thought that the university should be more public about its situation.

**Amanda Millar:** I felt that there was a need for greater clarity and transparency.

**Michael Marra:** That is directly contrary to what Professor O'Neill told me. He said that you were advocating for silence with the staff and for a culture of cover-up, secrecy, suppression of papers for the court that you were running, and a complete lack of transparency about the conduct of court business and the dealings of the university. That is the culture that we are seeing, on top of the incompetence, is it not?

**Amanda Millar:** I was advocating for clarity and transparency.

**Michael Marra:** My final question is about the general issue of the hubris that I think underpins a university that does fantastic things. A group of people at the top of that institution bet the house

on rapid and extended growth in the face of all the evidence. Who do you think is most responsible for the culture of hubris that Professor Gillies identified?

**Dr McGeorge:** In the end, culture comes from the very top, so I would say that it came from the former principal and that you should talk to him about that tomorrow.

I do not feel that the international student recruitment targets that we set or the reductions that we put into the budget showed hubris at all. We were trying to use our best judgment to take a view of what recruitment would be in 2024-25, but that turned out to be wrong and to be far worse than we anticipated. We had thought that there would be a 25 per cent reduction and modelled for 35 per cent, but we got something like a 53 per cent reduction.

**Michael Marra:** We have covered that ground.

Mr Fotheringham, who do you think was responsible at the top of the institution for the culture of hubris that now threatens the employment of 3,000 people?

**Peter Fotheringham:** The Gillies report draws attention to hubris at the top of the institution and makes its own conclusions. I cannot argue with any of the findings in the report and would not want to argue with that one.

**Michael Marra:** Amanda Millar, who do you think is responsible for the hubris?

**Amanda Millar:** I will answer similarly. The Gillies report makes particular and direct comments in relation to the identities of those people, and I have nothing further to add in that respect.

**Michael Marra:** Can you name them, for the record?

13:00

**Amanda Millar:** We had conversations in relation to particular challenges and personalities. In relation to views about particular individuals, that is for them to comment.

**Michael Marra:** I think that that is illustrative of a lack of transparency, but I will leave it at that.

**The Convener:** When you were all in post, you were at the top of the organisation. There was someone above you, but you were almost there. A bit more self-reflection may be helpful.

Ms Miller, in response to Mr Marra and to other questions today, you have made it sound as though, if you had just grabbed a couple of missed opportunities, the court could have done more. Page 53 of the Gillies report says:

“Court failed in its governance responsibilities in June 2024”.

You had half a year to get on top of the situation before, finally, the court was updated on 12 November. This was not just a couple of missed opportunities by you and your board; it was a chronic failure to take them over a series of not days or weeks but months. Do you accept that?

**Amanda Millar:** I acknowledge the sentence in the Gillies report, and acknowledge again the context in relation to the information that was available to court.

**The Convener:** There is a difference between acknowledging and accepting. Do you accept that your court failed in its governance responsibilities in June 2024?

**Amanda Millar:** I do not disagree with the terms of the Gillies report.

**The Convener:** So, do you accept that?

**Amanda Millar:** It is clear from the terms of the Gillies report that there were missed opportunities by court.

**The Convener:** And that those lasted for several months—up to half a year.

**Amanda Millar:** If we had caught the opportunities, the period of months would not have been the case.

**The Convener:** A number of people have asked about this, and we have not really got to the bottom of it. On the management accounts that were not provided in periods 9, 10 and 11, page 33 of the Gillies report says that it is not clear why that happened, and I still do not think it is clear why that happened. Crucially, who decided that those papers would not be provided?

**Peter Fotheringham:** There was no individual decision not to present them; it was just a failure to complete the work in order to get them to the UEG.

**The Convener:** Dr McGeorge, you were at the university for 16 years as company secretary and chief operating officer. When you did not get the accounts for periods 9, 10 and 11 to the university executive group, what did you do?

**Dr McGeorge:** In hindsight, I should have asked and demanded that those reports were provided.

**The Convener:** Why did you not? What is your explanation or reason for not doing that?

**Dr McGeorge:** I had confidence that Peter Fotheringham and the team would flag any issues, variances or exceptions that were coming through in those draft versions. In hindsight, I should have asked, because the more pairs of eyes we had on the management accounts, the more likely it was

that we might have spotted any issues and moved earlier to start the process of freezing posts and launching VS.

**The Convener:** Do you bear the greatest responsibility for those reports not being provided? If something as fundamental as that was not being provided to the university executive group, I would think that you, as company secretary, were responsible.

**Dr McGeorge:** I bear some responsibility.

**The Convener:** Some, or—

**Dr McGeorge:** I bear a major responsibility for that—yes.

**Maggie Chapman (North East Scotland) (Green):** Good afternoon. Before I start my questions, I put on record that I was, earlier this year, elected as rector of the University of Dundee, a post that I will take up in August this year, so I am not currently rector. When I am in that role, it will be a non-financial role.

Pam Duncan-Glancy has already referred to this quote from the Gillies report:

“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 collective failure?

**Amanda Millar:** I have taken responsibility for my part in it. I am optimistic and hopeful that those who remain in the university are in a position to resolve the issues, and I appreciate that elements of that will need additional support.

**Dr McGeorge:** I concur. I take responsibility for my failings in that regard.

**Peter Fotheringham:** Similarly, I have tried to be open and accountable today for my failings and my share of responsibility. I completely understand that I need to take a share of responsibility for each of the things that could have been done better, made clearer or achieved to a higher standard than they were.

**Maggie Chapman:** Almost 700 members of staff faced compulsory redundancy earlier this year, and that is still on the table. It is they who will pay the price for your and others’ failure. Is that right? Is that justice?

**Dr McGeorge:** It is not right, and I wish that it was not the case. There should be no doubt that, if we had started taking action earlier in 2024, there would still have been significant job reductions, but I accept that they would not have been at the level that is now proposed.

**Maggie Chapman:** We have talked a lot about when we knew what. I want to go back a little bit further, to April 2023, when the Scottish Trades

Union Congress called the University of Dundee a “rogue employer” because of the way that the university was managing job losses and industrial action. Did the situation and that statement by the STUC give you any cause to think about how things might and should be done differently to improve relationships and to open up conversations with staff and the wider university community?

**Dr McGeorge:** I do not recall the specifics of that instance. I do remember the phrase “rogue employer”, but it was used in April 2023 and I am afraid I do not recall at this point precisely what that was about. Again, if you provide me with more information, I will happily respond according to my recollection.

**Maggie Chapman:** You recall the phrase “rogue employer”. Did you attempt to do anything differently in relation to industrial relations by speaking to staff and students on campus or to improve how management was viewed by the wider university community?

**Dr McGeorge:** We had regular meetings with the campus unions, which I was part of. We worked closely with them on something called the Dundee deal, which was about improving the offer to staff within the university by equalising some outdated terms and conditions so that everybody enjoyed the same holiday entitlements. A whole range of things were done in that space.

**Maggie Chapman:** Amanda Millar, do you recall the phrase “rogue employer” from April 2023?

**Amanda Millar:** I do not recall the phrase.

**Maggie Chapman:** As far as you can recall, there was no discussion about the reputational consequences of that at court or in any of the court committees.

**Amanda Millar:** Again, I do not recall. I cannot say definitively.

**Maggie Chapman:** You have talked about trying to foster transparency and openness. Given that there were some very difficult relationships between the management and staff during your time on court, what was your approach to including staff, some of whom had been on strike for 12 weeks? They clearly felt that management was not there to support them and was not supporting them. Did you attempt to bridge the gap in communication and conversation with staff?

**Amanda Millar:** I do not recall a conversation that was specifically about that. I can say that I had a number of conversations with the principal about utilising the role of the chair of court in offering bridges, differences of opportunity, differences of presentation and so on.

**Maggie Chapman:** I have some questions on how the court was supported to carry out its scrutiny role. I will start with Amanda Millar. What training and support were provided to court members so that lay members—people without the expertise or professional training that others on court would be expected to have—could understand the information, the financial reports and the other types of reports? At that level of governance of a large and complex organisation, there will be things that not everybody can understand. What support and training were court members given, either during induction or on an on-going basis?

**Amanda Millar:** During my time, an induction plan was in place and it continued to develop and evolve in relation to building on some of the complexities that you highlight. I advocated for—and ultimately we got this—specific court-oriented finance training, although I would say that it took longer to get than I would have liked and, with hindsight, ever more so. Court colleagues were, at least annually, given access to training opportunities and were asked to liaise with secretariat colleagues if there was anything in particular that they wished to attend.

**Maggie Chapman:** Were skills mapping exercises done for court members on more than one occasion, or was that done just at the start of a new academic year? Were such mapping exercises done at all, to your knowledge?

**Amanda Millar:** If I recollect correctly, skills matrices existed and were refreshed. I was looking, in particular, at how we could make those more effective rather than a check exercise.

**Maggie Chapman:** What training and support were given to court members on the understanding and assessment of risk?

**Amanda Millar:** I cannot recall training opportunities specifically around risk.

**Maggie Chapman:** I have similar questions for Jim McGeorge. What was your expectation or understanding of the support that was available for court members? As secretary, that was obviously a role that you should have been involved in.

**Dr McGeorge:** Amanda Millar is correct in saying that there was a regularly updated induction programme for new members. We were conscious that the induction programme could be very focused on a small amount of time and involve an awful lot of talking heads. An attempt was made to start to broaden that out somewhat by, for example, having individual committee training sessions. I think that the audit and risk committee would have an annual session in which the members picked a topic and received training on it.

As Amanda said, all members of court had access to a Leadership Foundation for Higher Education governor development programme and could go on different courses. I cannot remember any specific risk training, but that might be just a recollection thing on my part, I am afraid.

**Maggie Chapman:** Were you of the view that court members had what they needed to understand the papers that were presented to them when the papers were presented to them?

**Dr McGeorge:** Court members, particularly lay members, are chosen on the back of their skill sets, such as their experience and expertise in business, the professions, the charitable sector or the voluntary sector. They come with an existing skill set, but they often do not have the HE-related context, so a lot of the focus of the induction is on ensuring that we impart as much information about that as possible. The situation is slightly different for staff and student members, because they know rather more about the internal side. With them, the training is often more on those wider areas.

**Maggie Chapman:** As somebody who sat on a university court for more than six years, I am aware of the different expertise and opportunities that the range of membership brings. Were you aware of any gaps in understanding, knowledge, skills or expertise? If so, did you do anything to try to remedy that situation?

**Dr McGeorge:** The skills matrix was put together on the basis of the broad skill sets that we felt were required.

13:15

In my view, we tried to recruit people for specific expertise when vacancies became available. If a vacancy arose and we felt that we needed, for example, more marketing expertise, we might go out to a recruitment agent or advertise for new court members seeking people with that particular skill set or saying that they would be particularly valued. We did that, and the court secretariat, working with the governance and nominations committee, did quite a lot of work to look at that sort of thing.

**Maggie Chapman:** But, as far as you were aware, there was no specific recognition in the sense of saying, “We need this expertise on court. We don’t currently have it and we don’t have a vacancy, therefore we need to upskill the members who are there.”

**Dr McGeorge:** I do not recall an example of that.

**Maggie Chapman:** Do you know what was number 1 on the risk register for the institution at the point of your departure?

**Dr McGeorge:** Cybersecurity would have been on there, I think, and there would have been a student recruitment or intake risk, or a financial sustainability risk.

**Maggie Chapman:** Amanda Millar, is that your recollection?

**Amanda Millar:** As far as I can recollect.

**Maggie Chapman:** When we had the then acting chair of court before us, cybersecurity was highlighted but there was nothing around long-term financial sustainability in her answer, which was worrying. That gives me cause for concern about how you, and now the university executive group and the governors, have assessed risk and whether you feel that you were assessing risk.

You have all said in different ways, over the course of this morning, that you acted on the information that you had. However, do you think that there was a lack, or a gap, with regard to your being able to forecast the consequences of certain things and turn those forecasts into risks, whether in international student recruitment or the long-term financial problems of the institutions, to which Peter Fotheringham referred earlier? Amanda Millar, do you want to comment on that?

**Amanda Millar:** Recap it for me.

**Maggie Chapman:** Given that you cannot recall specific issues being raised around gaps in your understanding or ability to assess risk, how did we get to a position where the risks that we have spent the past four hours talking about were not identified sooner? How were those forecasting issues not turned into risks?

If it is not about the people around the table not having the skills and expertise, and if it is not about not having the knowledge and the facts in front of you, what has gone wrong? We have had on-going conversations about governance restructuring in higher education forever. How can we ensure that we do not find ourselves in the same position, in which forecasts are not turned into risks and are not acted on, risks are not assessed effectively, and the mitigation actions coming from those assessments are not actually developed, never mind followed up?

**Amanda Millar:** I fundamentally hope that the learnings from the Gillies review and the experiences of the University of Dundee will be opportunities for all to revisit, so that circumstances such as these do not reoccur. With regard to the assessment and management of risk, those will be on-going lessons for colleagues to learn, particularly in relation to governance, how information is presented—including by individuals rather than simply in the papers—and engagement. That is about ensuring, as the Gillies report highlights, that colleagues are open to

challenge when it is received, on the basis that challenges are forthcoming in the broader interests of the institution.

**Dr McGeorge:** In this specific instance, student growth, the turbulence across the sector, policy changes and the increasingly challenging environment were included in the risk register, which was read in May 2024. There was an awful lot in the budget that identified the student numbers risk; we just got the number wrong.

**Maggie Chapman:** Peter Fotheringham has touched on this a little bit, but I am looking at it through a risk assessment lens. Would it be usual for an organisation that, in your words, had had more than 10 years of financial difficulty to set the deficit budget that you set?

**Peter Fotheringham:** Are you asking whether it would be usual for an organisation to set a deficit budget?

**Maggie Chapman:** My question is about the scale of the budget that you set, given the decade or more of financial difficulties that you had experienced.

**Peter Fotheringham:** I think that it would be unusual for the University of Dundee not to have a deficit budget, and it had been the case for some time.

**Maggie Chapman:** A couple of times this morning, you have said that the university did not have sufficient cash to maintain its assets. Surely, a risk alarm bell must have gone off because of that?

**Peter Fotheringham:** The budget made it very clear that recovery out of deficit was critical, and that was going to take a sustained period of time. There was no expectation that the finances would turn around in six, 12 or 18 months or even quite a bit longer than that, which was a pretty difficult position to present. It was clear that it was not an attractive budget; it was a difficult budget. Having a significant deficit in the budget position is not a sign of great health. I felt that it was pretty clear that the budget presented a challenged position that was not healthy.

**Maggie Chapman:** Do you think that the consequent assessments of risk were appropriate?

**Peter Fotheringham:** In terms of risks against that budget being deliverable?

**Maggie Chapman:** Yes.

**Peter Fotheringham:** In hindsight, no, because they were wrong. However, at the time, with the information that was available and the understanding that we had collectively—

**Maggie Chapman:** And the forecasts and modelling that you had done.

**Peter Fotheringham:** We did not realise it at the time, but, clearly, in hindsight, the assessments were not appropriate.

**Maggie Chapman:** We have had a little bit of discussion about culture, and I just want to pick up a couple of points about that. Jim McGeorge, in your role as chair of the equality, diversity and inclusion committee, were you aware of claims of misogyny, homophobia and, importantly, the fact that equality impact assessments were not always being conducted appropriately? Were you doing anything to challenge those things?

**Dr McGeorge:** I certainly was not aware of allegations of misogyny, homophobia or anything of that kind. The committee's work was focused on developing a new EDI strategy and we made some investment in our EDI team to try to grow our expertise in that area. Again, in hindsight, that looks to have been an expensive thing to do.

**Maggie Chapman:** Some of the decisions on recruitment, restructuring, industrial relations and that kind of thing had very clear detrimental consequences for predominantly lower paid members of staff who are women. Why did the EQIAs not pick that up, and why was action not taken as a result?

**Dr McGeorge:** My recollection is that equality impact assessments were done on some of those changes. The impacts that were identified were more about job segregation than they were about, as it were, discrimination. Because of job segregation, there were more people with a certain characteristic or from a certain group than there were others. I would have to know the precise example that you are talking about to be able to make a clear call on that.

**Maggie Chapman:** In your professional services directorate, some of the job cuts disproportionately impacted women. Whether it be job segregation or not, there was, clearly, a gendered impact in that respect. How did your EQIAs assess and mitigate that impact, or was it just considered tolerable?

**Dr McGeorge:** I think that all our EQIAs come up with a conclusion at the end. Again, though, without knowing the precise example that you are talking about and seeing the EQIA for that piece of work, I cannot comment on it, I am afraid.

**Maggie Chapman:** Is it fair to say that, as chief operating officer, you provided leadership of the university's strategic development and efficient and effective management?

**Dr McGeorge:** Yes, I tried at all times to do that.

**Maggie Chapman:** Is it fair to suggest that the directors whom you managed or oversaw should also have been expected to provide leadership with regard to the efficient and effective management of the university and its resources?

**Dr McGeorge:** Absolutely, and I think that they worked tremendously hard to try to do that.

**Maggie Chapman:** There has been a question about why there was so much outsourcing of strategic leadership. Do you want to comment on that claim?

**Dr McGeorge:** In terms of?

**Maggie Chapman:** There were various situations in which leadership, management or strategy decisions were not made by the university executive group but outsourced to consultancy companies and other organisations, because of existing relationships that they might or might not have had with the university.

**Dr McGeorge:** You will probably have to rephrase that, because I am not quite sure what you are getting at. I am sorry if I am misunderstanding you.

**Maggie Chapman:** I might come back to that.

Perhaps this will be a more productive line of questioning. Earlier, there were discussions about the relative growth of certain parts of the university while other parts were struggling. We have heard quite clearly that the finance team were underresourced and struggling to cope with their stretched workload, but, at the same time, the executive and strategy office was ballooning. Given your provision of leadership of strategic development and effective and efficient management, was there ever a point at which you challenged why so many jobs were being created in some parts of the university while other areas were really struggling and being targeted for cuts?

**Dr McGeorge:** In a university setting and against a particular strategy, there will always be areas that you wish to grow and which you feel are more important to the future of the strategy, as well as areas that you wish to shrink. That applies to the professional services as well as to the academic side of the university. For example, the strategy office was one that we wanted to invest in to help deliver the strategy. The university had not put a great deal of resource into tracking and implementing its strategy in the past, so more resource was put into that, including in areas such as planning to get more and higher-quality management information from the university. There are areas that grow and areas that shrink, according to strategic priority.

**Maggie Chapman:** A challenge that we have had, and which has probably been communicated to several committee members and to regional

members, is that when there were job cuts or proposals for job cuts or when vacancies in certain parts of the institution—particularly in estates and buildings—were not refilled, some areas were filled by contractors instead. It was a case of someone saying, “We won’t replace the staff, because then our staff headcount will be down and our overall staff package will be low”; however, the contracts turned out to be much more expensive. How do you square that with your provision of effective and efficient leadership and your strategic outlook?

**Dr McGeorge:** Again, I would need to see specifics on that, but there might be good reasons for taking that approach. For example, we might need only a very small number of people in a particular area and employing them ourselves might create a significant resilience risk; however, if the risk were outsourced, the alternative provider would have to provide the resource, no matter what. Without knowing the specific case, I cannot really comment, but there can be reasons why an outsourced approach would provide a more effective and resilient service.

13:30

**Maggie Chapman:** The maintenance of heating systems in laboratories, for instance, used to be managed by on-site, university-employed maintenance people. That function was outsourced, and labs had to be closed for a day, because the contractors could not fix a problem that occurred. It meant that staff and students lost lab time for research, because the outsourced contractors, who were supposedly there to deliver the service, could not get to Dundee as they were not based locally.

**Dr McGeorge:** That is obviously not something that we would desire—

**Maggie Chapman:** But it happened more than once. It happened repeatedly, and it was a direct consequence of not employing staff for the university, and outsourcing those types of functions.

**Dr McGeorge:** I am simply not aware of that instance, I am afraid.

**Maggie Chapman:** Who should take responsibility for the failure of the Blueprints admissions software?

**Dr McGeorge:** Ultimately, I was head of professional services, and therefore I have to take responsibility for the fact that that implementation did not go well. There are a number of reasons why that happened, and there is obviously a lot of detail on that—I understand that a lessons learned report has been written on it. I am not going to shy away from the fact that, as the most senior person

in professional services, I have responsibility in that area.

**Maggie Chapman:** Were you involved in the software’s procurement, or was that delegated to other people?

**Dr McGeorge:** Not per se. It was delegated, but, in many ways, we did not really procure that system. The university halted development of a new student records system and decided instead to invest in its existing system. The Blueprints software was one of the existing packages associated with the Tribal asset management system.

**Maggie Chapman:** I was also going to ask specific questions around procurement breaches. Would you be able to answer them? For example, I have a question on the use of the EAB Global strategic consultancy, and why you went with that, rather than with others. It was a breach of the Public Contracts (Scotland) Regulations 2015, because the project was not put out to tender and just went to EAB Global.

**Dr McGeorge:** That situation is quite complex. I would be very happy to provide the committee with a summary of it, if that would be helpful.

**Maggie Chapman:** Given that there was a clear breach of the regulations, it might be useful for the committee to have that.

**Dr McGeorge:** I would be happy to provide that.

**Maggie Chapman:** My final question might be for you all, but I will start with Amanda Millar, as she touched on the issue earlier.

It is very apparent in all of this that there is a lot of upset and hurt on campus. Staff and students are worried, and you have all expressed your sorrow and regret at that. There might be no single point of failure, and no single individual thing that could, and should, have happened differently. However, given that we are where we are with the University of Dundee, what would you say to anybody in the current and future university executive group and court when it comes to asking questions and the things that you wished that you had done two, three, four or 10 years ago?

**Amanda Millar:** I would build on what I talked about earlier in relation to my role, when I reflected on the building of trust and, potentially, acknowledging the difference and the potential challenge that came from being able to achieve that. What I would say in the broadest terms to both UEG and court colleagues is that engaging with your colleagues is incredibly important and that, although executive and court colleagues have very different roles, the responsibility and the care for the institution mean that it is imperative that you be open enough to share any particular interests that you have, to have those



conversations, and to do so in the interests of the institution, because that is what everybody is there to serve.

**Dr McGeorge:** I would talk about the need to provide as much and as comprehensive information as possible in as open and transparent a way as possible, to be open to challenge and to challenge yourself and others in a positive and constructive environment.

**Peter Fotheringham:** There are some very good recommendations in the Gillies report, which should be the underpinning of anything that that happens in the future. If I were to speak to any of my former peers or any of my successors in the role, I would suggest very clearly that they follow things up and not assume anything when there is no feedback—or no positive feedback. You need to follow things up and speak to people individually and test that what you think that you have said and prepared is what has actually been heard.

**Maggie Chapman:** I will leave it there. Thank you.

**The Convener:** I call Pam Duncan-Glancy for a couple of very brief final questions.

**Pam Duncan-Glancy:** I will be really brief, convener.

Amanda Millar, can you explain why you agreed to expenses that were outwith the expenses policy for the principal?

**Amanda Millar:** I do not recollect doing that.

**Pam Duncan-Glancy:** Did any of the witnesses agree to the expenses that were outwith the expenses policy? The committee has received evidence that suggests that that happened—that is, that the principal's travel, hospitality and accommodation expenses were all, at some points, outwith the expenses policy. Was anyone aware of that?

**Dr McGeorge:** I was not aware of that, nor did I have a role in approving the principal's expenses.

**Peter Fotheringham:** No, I had no awareness of that and no approval role with regard to those expenses.

**Pam Duncan-Glancy:** Okay. Did he approve his own expenses?

**Amanda Millar:** I cannot answer that.

**Dr McGeorge:** I think that approval was done through the principal's office, and I had understood that it would liaise with finance. However, if Peter Fotheringham says that that was not the case, that might not have been the case.

**Pam Duncan-Glancy:** You will understand that one of the reports that the committee has been given says that expenses that were outwith the

policy were paid. If those were approved from within his own office, did none of you—as the operating officer, the chair and the financial director at the time—ask questions about that?

**Amanda Millar:** I would have asked questions, if I had known.

**Dr McGeorge:** Same here.

**Peter Fotheringham:** The process was set up to allow approvals to be done appropriately across all university employees. Nothing was brought to my attention that I was not happy about at the time.

**The Convener:** The policy is quite explicit that you are responsible and that you do need to sign that off, Ms Millar. Were you not aware of the policy?

**Amanda Millar:** I am aware of a policy, but I was not involved in signing off the principal's expenses.

**The Convener:** So you did not think that any of these expenses breached the threshold at which the policy required you to intervene.

**Amanda Millar:** I did not see his expenses.

**The Convener:** So no one shared that with you.

**Amanda Millar:** No.

**Pam Duncan-Glancy:** I have one final question, which is on a different matter. Dr McGeorge, who signed off the minutes of the audit and risk committee?

**Dr McGeorge:** That would normally be done through my deputy before it would come to me for a final check. The minutes would then go to the chair of the audit committee, who would ultimately sign them off.

**Pam Duncan-Glancy:** So, at some point, you will have had some involvement in the sign-off process for those minutes.

**Dr McGeorge:** Yes.

**Pam Duncan-Glancy:** That is helpful for the record. Thank you.

**The Convener:** Thank you very much.

We have been here for more than four hours both this morning and into the afternoon, and I appreciate the time that you have given us. However, I will finish with the question that I started with, because, after four hours, I am no clearer about it. Why did this happen? A lot of explanation has been given, but I am concerned with the why. Is it just the simple fact that we had all the wrong people in all the wrong senior positions of responsibility who all failed to pick up on the deficiencies of the others? Is there any other conclusion that can be reached?

**Dr McGeorge:** I go back to what I said at the start: the core finding of the Gillies report is that we could and should have spotted at an earlier stage the impending financial crisis and the challenge that was coming down the line. That could and should have been spotted in early 2024, and we ended up doing it in September 2024. As Gillies has identified, issues around the sufficiency and appropriateness of the management and financial information that we were receiving contributed to that failure to identify the problem earlier.

**Peter Fotheringham:** The report is clear that there were multiple failings at multiple levels. I agree with you, convener—your summation is not a million miles off.

**The Convener:** Once again, I thank you for the time that you have given us and for coming here today. I have to commend you for agreeing to come before the committee; it is right that you have the opportunity to put your side of the argument. I welcome the fact that Professor Gillespie has agreed to do the same tomorrow and that others before you have come to give evidence, too.

I note, for those watching who are following our agenda, that the committee agreed to discuss our further agenda items via correspondence. Therefore, instead of suspending the meeting, I will simply close it.

*Meeting closed at 13:41.*

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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