



Principal & Vice-Chancellor

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Mr G Dey MSP
MSP for Angus South

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13 November 2024

Dear Graeme

As you will be aware, the UK higher education sector has been facing an extremely challenging period, with a drop in recruitment of international students, other cost pressures, and long-term decline of government funding.

While at Dundee we have done well in recent years to recruit record numbers of international students, a significant drop in recruitment this academic year, combined with other factors, means we are now planning for a significant deficit in this financial year.

We now have measures in place to reduce our costs including:

- A freeze on recruitment, including on filling vacancies for existing posts
- Reducing operational expenditure

However, even with these measures we could still be looking at a deficit for this financial year in the range of £25million to £30million.

Therefore we must take further action now to address our financial stability and long-term future. Given the profile of our costs, it is inevitable this will mean a reduction in our staffing levels.

This will be a very difficult period, certainly for this financial year and next. The decisions we take will be in the interests of the future health and sustainability of the University but they will not, in many cases, be easy ones.

I am happy to discuss in more detail when we next meet, or answer any questions you may have in the meantime

Yours sincerely

Professor Iain Gillespie
Principal & Vice-Chancellor

**Minister for Higher and Further Education; and
Minister for Veterans**
Ministear airson Foghlam Àrd-ìre is Adhartach; agus
Ministear airson Seann Ghaisgich
Graeme Dey MSP/BPA



Scottish Government
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Your Reference: Letter from the Principal & Vice-Chancellor

4 December 2024

Dear Professor Gillespie,

Thank you for your letter of 13 November regarding University of Dundee's deficit and the measures you have put in place to reduce costs.

The Scottish Government appreciates the valuable contribution the University of Dundee and other universities make to Scotland's economy and wider society.

We recognise that Scotland needs an immigration system that supports our higher education sector to deliver the best learning, and that is why Scottish Ministers are committed to representing the concerns of universities. While working with the UK Government, on delivering an immigration system that supports the prosperity of Scotland's universities, economy and communities. I recognise the impact international students have on Scotland's universities and have been consistently clear in communicating the negative impact of restrictive visa policies have on Scottish universities' international student attraction. I am pleased that following the Migration Advisory Committee's report, the UK Government have confirmed the retention of the Graduate route.

These remain incredibly challenging financial times, and my priority is ensuring that the significant investment we are making in universities delivers the best outcomes for learners, the economy and society. To do that we have had to make tough decisions, while adapting to evolving learner needs and ensuring that the learning environment remains responsive to the changing supply and demand of students. We need to ensure that the significant investment we are making in universities delivers the best outcomes for learners, the economy and society.

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In noting the likelihood that members of staff at the University of Dundee are at risk of redundancy and whilst Ministers cannot compel institutions to commit to no compulsory redundancies, my expectation is that all universities work with staff to make every effort to protect jobs. I expect employers, workers, and trade unions to work together, in line with our Fair Work principles, to reach the right decisions and ensure workers are treated fairly; and for workers to have appropriate channels for maintaining constructive and meaningful dialogue with employers.

I hope this information is helpful in setting out the Scottish Government's position on these matters.

Yours sincerely



GRAEME DEY

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Professor Shane O'Neill
Interim Principal
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13 December 2024

Dear Professor O'Neill,

I am writing further to my letter of 4 December 2024 to the former Principal of the University of Dundee, Professor Iain Gillespie, concerning the University's financial deficit and the measures that are being put in place to address that.

Since I sent that letter, I have been contacted by Dundee UCU on behalf of themselves and the University's UNITE and UNISON branches, expressing concern that they have not been involved in conversations around the financial situation, including the recent resignation of the former Principal, and the development of the financial recovery plan. In particular, they have highlighted that financial data has not been shared with them, and that two scheduled extraordinary Local Joint Committee meetings were cancelled. The unions have stressed to me that they are keen to work with the University Court to resolve the financial challenges being faced by the University, but that they feel they can only do so if they are fully briefed and involved in the conversation around recovery.

The University of Dundee is of course an autonomous institution with responsibility for its own operational and resourcing decisions to achieve financial sustainability. However, as I set out in my letter to Professor Gillespie of 4 December, I expect employers, workers, and trade unions to work together, in line with our Fair Work principles, to reach the right decisions and ensure workers are treated fairly; and for workers to have appropriate channels for maintaining constructive and meaningful dialogue with employers. I have also highlighted these points to the Scottish Funding Council in the context of their ongoing dialogue with the University to support financial recovery.

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Both the Scottish Government and Scottish Funding Council will continue to support colleges and universities in developing their own mitigating strategies to minimise negative impacts on short, medium and long-term financial sustainability. Ensuring our institutions are on a sustainable trajectory is at the heart of our considerations to reform the post-school system, so that the significant investment we are making delivers the best outcomes for learners, the economy and society.

I look forward to your response on the points I have raised concerning the importance of engagement with staff and unions throughout the financial recovery process. I would be happy to have a further conversation with you on this if that would be helpful.

Yours sincerely,



GRAEME DEY MSP

Minister for Higher and Further Education; and Minister for Veterans

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