

Impact assessment summary: UHI North, West and Hebrides organisation design strategy

Version 1.0, Tuesday 17 September 2024

Background

On Tuesday 1 August 2023, three colleges within the University of the Highlands and Islands (UHI) partnership—UHI North Highland, UHI Outer Hebrides, and UHI West Highland—officially merged to form a single institution: UHI North, West and Hebrides.

The merger was driven by the boards of management of the three colleges in response to significant financial and demographic challenges that threatened their long-term sustainability, despite their collective achievements. In November 2022, the boards unanimously voted in favour of the merger, and the [Merger Proposal and Business Case](#) received approval from the Scottish Parliament in June 2023, enabling the legal establishment of the new college.

Following the merger, UHI North, West and Hebrides initiated an Organisation Design strategy to consolidate its workforce of over 600 employees into a unified staffing structure for the 2024-25 academic year. This reorganisation affects staff across all 19 UHI North, West and Hebrides campuses and learning centres, including several located in remote island communities such as the Isle of Barra, Isle of Benbecula, Isle of South Uist, Isle of North Uist, Isle of Lewis, and the Isle of Skye.

Scope of impact assessment

In accordance with its obligations as a 'Relevant Authority' under the [Islands \(Scotland\) Act 2018](#), the University of the Highlands and Islands has conducted an impact assessment to evaluate the effects of the Organisation Design strategy on UHI North, West and Hebrides staff across its widespread geography. The assessment follows the steps outlined in the [Island Communities Impact Assessment](#) process to determine whether a full assessment is necessary. These steps are:

1. Clearly defining the objectives
2. Collecting data and identifying stakeholders
3. Conducting consultations
4. Assessing the need for an ICIA
5. Preparing the ICIA, if required, or proceeding to step 6
6. Making necessary adjustments to the strategy
7. Publishing the ICIA.



This process ensures that any potential impact on island communities is thoroughly considered and addressed.

This impact assessment is focused specifically on the UHI North, West and Hebrides Organisation Design strategy. The college's updated curriculum strategy and offering will be addressed in a separate impact assessment.

The full impact assessment report will be published internally, and this executive summary will be published externally in English and Gaelic, on UHI and UHI North, West and Hebrides websites.

Restructuring the college

The college's mission is: 'To connect rural and island Scotland, pioneering distinctive education and research opportunities to enable our students and communities to shape their future in a changing world'.

The merger was designed to establish a more sustainable organisation with enhanced capacity and resources to expand its curriculum, research, and innovation. This vision is reflected in its founding strategic objectives, which focus on:

- Financial sustainability
- Targeted growth in curriculum, research and knowledge exchange and enterprise
- Enhancing the student experience
- Team resilience and depth

The Organisational Design strategy was shaped by the college's mission and strategic objectives, hence it needed to set out an approach to design, implement and populate a single UHI North, West and Hebrides organisational structure: a structure that would be both affordable and optimised to the delivery of the college's strategy and goals. The resulting Organisational Design strategy comprised several components:

- **Interim management framework:** the college operated under a matrix management arrangement to address operational and line management requirements, to enable business operations to continue until the restructure was completed.
- **Organisation Design:** this was conducted to design the proposed department, management and staffing-level organisation structure for the college.

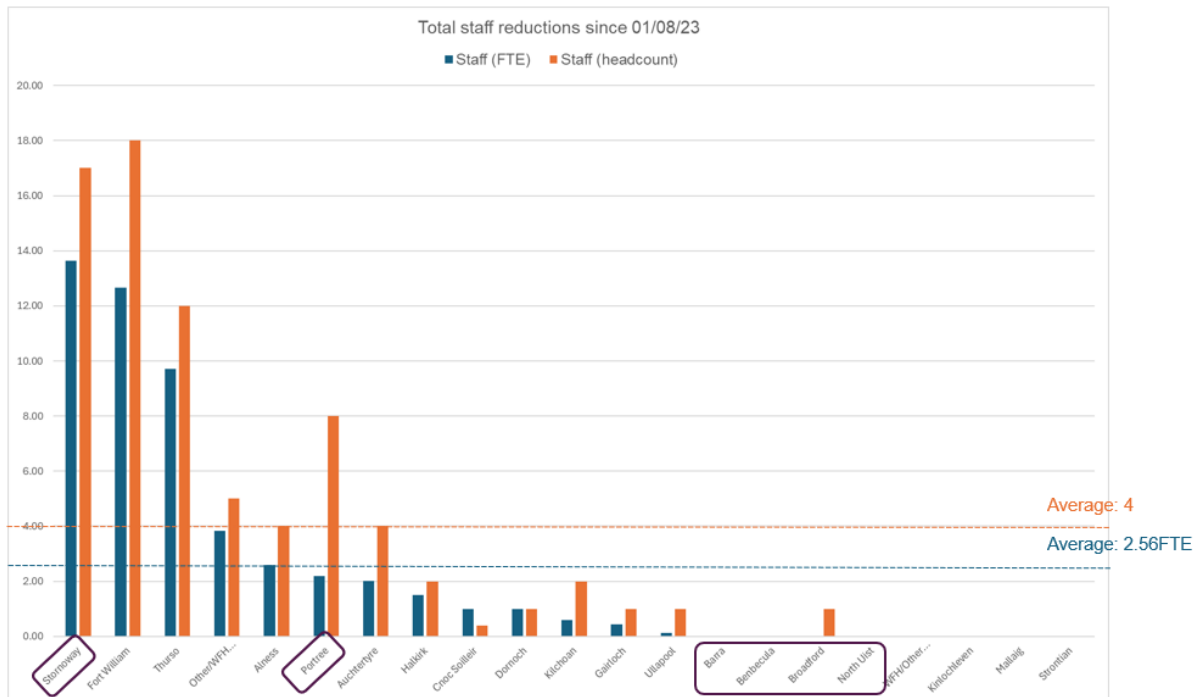


- **Voluntary severance:** alongside the OD work the college aimed to deliver a three-year financial sustainability plan, and the Voluntary Severance Scheme was a major component. Through non-staff savings, voluntary severance, and vacancy management, they reduced the 2023-24 savings target of £3.3 million to around £0.5 million by the end of academic year.
- **HR procedures:** These were developed, consulted upon, approved and issued to underpin the implementation of the new organisation structure. The procedures covered voluntary severance, organisational change, the transfer/transition of staff to new structures, and redeployment.
- **Consultation and communications:** throughout the entire programme there was an extensive range of consultation activities with staff, students, board of management and recognised trade unions. Staff consultations were carried out with over 570 staff members – the majority individually, often more than once. Collective consultation was conducted with Education Institute of Scotland Further Education Lecturers Association (EIS-FELA) and Unison trade unions via the Local Joint Committee, and these meetings continue to be held regularly.
- **Approvals:** the board of management is responsible for approving the resulting proposed organisation structure and its affordability.

Analysis

Following the steps outlined in the [Island Communities Impact Assessment](#) process, the impact assessment process reviewed the OD strategy objectives, the college's staffing data (in particular staffing reductions at each site in the 12 months post-vesting, either through voluntary severance or for other reasons), existing UHI and UHI North, West and Hebrides policies and consultation feedback to date to identify whether there were any unique impacts on islands communities, or indeed any other UHI North, West and Hebrides location. The main findings were as follows:

- Of the 19 UHI North, West, and Hebrides campuses and learning centres, 13 have experienced staff reductions in the year following the merger. These reductions are shown in the chart below, presented in terms of both staff headcount and Full-Time Equivalent (FTE). The most significant reductions occurred at the three former lead campuses of the legacy colleges, which already had the largest concentrations of staff. Across the other 10 sites, staff FTE reductions vary but generally remain at or below the average, with no clear pattern emerging. The average includes sites where no reductions occurred.

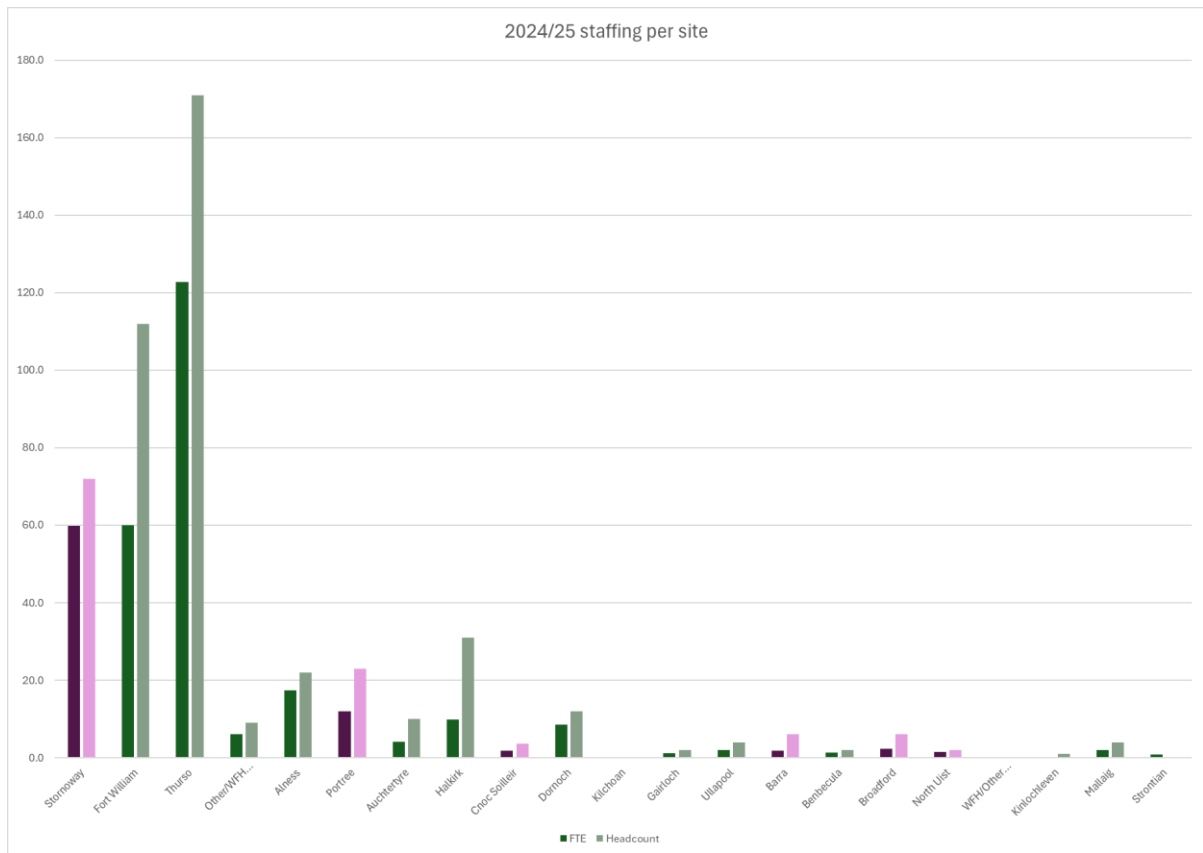


Total staff reductions (VSS and non-VSS) per site since 01/08/23; island sites are ringed on the x-axis.

The resulting staffing levels are shown on the next diagram. There were no staffing reductions at these sites:

- Islands: Barra, Benbecula, North Uist
 - Mainland: Kinlochleven, Mallaig, Strontian
- Analysis of the proposed management structure confirmed that the proportion of managers across the 3 legacy college areas was similar, when measured as a percentage of staff based in each area:

	UHI North Highland	UHI Outer Hebrides	UHI West Highland
Managers	8.5%	10.5%	9.6%
Unpromoted staff	91.5%	89.5%	90.4%



UHI North, West and Hebrides staffing per site for academic year 2024-25; island sites are coloured purple/pink for FTE/headcount.

- Two island-based locations have proportionally higher than average staff reductions:

Portree, Isle of Skye:

- Voluntary Severance Scheme departures: 1.2FTE (2 staff)
- Non-Voluntary Severance Scheme departures: 0.98FTE (6 staff)
- Portree appears to have a 'higher-than-average' staff headcount reduction, but this is due to 3 staff leaving who were on casual contracts, with the remainder leaving for other reasons. 2 staff left by voluntary severance - one took a new job locally, the destination of the other is unknown.

Stornoway, Isle of Lewis:

- Voluntary Severance Scheme departures: 11.6FTE (16 staff)
- Non-Voluntary Severance Scheme departures: 2.0FTE (2 staff)
- Compared with the other 2 former lead campuses (Fort William and Thurso) Stornoway has undergone a higher staff reduction in terms of FTE but not in terms of staff headcount – Fort William is higher in that



regard. All Stornoway departees were over 40, 31% would be retiring and destinations of 25% were unknown; the remaining 44% were going on to other positive outcomes - taking new employment, starting/running their own business, and one person becoming a UHI North, West and Hebrides student.

Assessment

The data highlighted Stornoway as a key focus for assessing any unique impacts on the island community. However, this impact assessment concludes that there is not significantly disproportionate or distinct effect on Stornoway and its community for the following reasons:

- While Stornoway saw a slightly higher staff reduction than Fort William, the difference is not substantial.
- Stornoway remains the third-largest UHI North, West and Hebrides site in terms of staff population and maintains a proportional share of management positions within the college.
- Of the staff who left Stornoway through voluntary severance, 75% either retired locally or transitioned to other employment or education opportunities within the area.
- The college's active participation in the Outer Hebrides Local Employability Partnership and the Islands Growth Deal initiatives demonstrates continued strong employment prospects in the region. In fact, UHI North, West and Hebrides continues to recruit in Stornoway to address natural staff turnover.
- The changes driven by the UHI North, West and Hebrides Organisational Design strategy are both necessary and proportionate to ensure the college's financial sustainability. The financial pressures faced by UHI North, West and Hebrides are consistent with those affecting the wider UHI partnership and the broader college and university sectors.

In conclusion, UHI believes that the changes resulting from the UHI North, West and Hebrides Organisational Design strategy will not have a significantly different impact on any island community compared to other communities, including other island communities, during this period of sector-wide financial reform. Therefore, a more comprehensive Islands Community Impact Assessment is not deemed necessary.

Adjustments

Following the publication of this impact assessment, the Director of People and Culture at UHI North, West, and Hebrides—who oversees HR, Organisation Design,



and Organisation Development, and reports directly to the Principal and CEO—will ensure the college takes the following actions:

- Update the recruitment, selection, and retention policy to ensure proper consideration is given to island staff and potential applicants.
- Keep the executive management and the board of management HR committee informed of staffing trends, with particular attention to any signs of disproportionate organisational or staffing changes at individual sites, especially island sites, and propose mitigation plans as necessary.