

UHI North, West and Hebrides STRATEGIC RISK REGIST

| Ref ID | Link to UHI Partnership Risk | Date Reviewed | Risk Status | Risk Category | Link to UHI NWH Strategic Goals/enabling strategies |
|-----------|------------------------------|---------------|-------------|---------------|---|
| NWH/R/001 | | 21/02/2025 | Active | Financial | SG1/all enabling strategies |
| NWH/R/002 | | 21/02/2025 | Active | Financial | SG2/Curriculum Strategy |
| NWH/R/003 | | 21/02/2025 | Active | Governance | SG1-6 |

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|-----------|--|------------|--------|----------------|-------------------------------------|
| NWH/R/004 | | 21/02/2025 | Active | Financial | Estates and Infrastructure Strategy |
| NWH/R/005 | | 21/02/2025 | Active | Financial | SG3 |
| NWH/R/006 | | 21/02/2025 | Active | Organisational | People |
| NWH/R/007 | | 21/02/2025 | Active | Financial | SG1-6 |
| NWH/R/008 | | 21/02/2025 | Active | Organisational | IT Infrastructure Strategy |

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| NWH/R/009 | | 21/02/2025 | Active | Financial | SG4 |
| NWH/R/010 | | 21/02/2025 | Active | Financial | SG5 |
| NWH/R/011 | | 21/02/2025 | Active | Organisational | SG6/People Strategy |
| NWH/R/012 | | 21/02/2025 | Active | Financial | Estates and Infrastructure Strategy |
| NWH/R/013 | | 21/02/2025 | Active | Governance | SG 1-6 |

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| Risk Description | Causes | Owner(s) |
| Failure to achieve financial sustainability | failure to respond to reductions in core and non-core income streams; failure to meet targets for FE and HE teaching activity; failure to secure income from research and business development activities; failure to manage rising costs for staff and estates and infrastructures, including digital, maintenance and net zero; failure to respond to SG/SFC funding reforms which may reduce available core funding for the college; failure to achieve the college's three year financial sustainability plan, returning to a surplus position by 2026 | Principal and ELT |
| Failure to secure market demand for curriculum offer | insufficient market intelligence; insufficient marketing and key stakeholder engagement (schools, businesses, agencies, local government); insufficient staff capacity to develop new curriculum products; insufficient budget to support curriculum development costs; | Principal and VPA |
| Failure to maintain legal compliance with the full range of legal and public sector obligations | Volume and pace of compliance changes and obligations. Staff capacity and training to undertake risk and impact assessments | ELT |

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| <p>The estate does not match the needs of our curriculum, skills and research requirements</p> | <p>Volume and pace of compliance changes and obligations. No access to capital funds to ensure estate meets climate change/net zero requirements. No access to capital funds to upgrade digital infrastructure in line with industry requirements, including AI; no capital funds available for new campus developments to meet industry demand</p> | <p>ELT</p> |
| <p>Failure to create an environment in which research and KE can flourish</p> | <p>Loss of key research personnel impacting knowledge exchange capabilities. Insufficient Funding for Research: Limited resources hindering research and knowledge exchange.</p> | <p>ELT</p> |
| <p>Effective employee relations through local and national channels are not secure taking account of NRPA</p> | <p>Lack of engagement locally and through Employers Association</p> | <p>Principal, Director People and Culture</p> |
| <p>Failure to create effective business continuity plan</p> | <p>Unforeseen major incident disrupting the college's operations in one or more location or ability to do business; High impact disaster for college (e.g. flood, fire building structure under threat; new pandemic);</p> | <p>ELT</p> |
| <p>Failure to prevent major internal or external IT Security breaches</p> | <p>Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused through serious inappropriate usage of IT systems or data by internal users or external actors.</p> | <p>Principal, SMG</p> |

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| <p>the merged college fails to meet student expectations for an enhanced and more equitable student experience</p> | <p>failure to connect our learners across multiple locations as a single community; failure to design enhanced learner services in the merged college; move to more online delivery fails to create a sense of local community for students; failure to deliver a physical estate and digital infrastructure meeting the needs of our students;</p> | <p>ELT</p> |
| <p>failure to realise the economic development, commercial and income generating opportunities outlined in the merger business case, leading to loss of planned strategic development and growth</p> | <p>delay in forming an agile and responsive business development team whilst focusing on internal merger integration; lack of organisational capacity/expertise to appraise strategic business opportunities</p> | <p>ELT</p> |
| <p>failure to attract, retain or develop key personnel, impacting organizational knowledge and capabilities to deliver the merged college's ambition</p> | <p>loss of key staff from legacy colleges due to merger; failure to establish a trusted brand or rewards scheme which attracts talent; failure to invest in succession planning;</p> | <p>ELT</p> |
| <p>failure to meet public sector carbon reduction/net zero targets and associated deadlines</p> | <p>financial penalties from SFC for non-compliance with public sector climate change targets; reputational damage with key stakeholders; risk to student and staff recruitment and staff retention</p> | <p>ELT</p> |
| <p>Failure to engage with UHI's Transformation Programme</p> | <p>SFC may no longer deficit fund UHI and its assigned colleges, risking UHI NWH's future sustainability</p> | <p>Board & Principal</p> |

| Inherent Likelihood | Inherent Impact | Gross Risk | Risk Appetite | Target Risk |
|---------------------|-----------------|------------|---------------|-------------|
| 5 | 5 | 25 | | |
| 4 | 3 | 12 | | |
| 5 | 2 | 10 | | |

| | | | | | | |
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| | | 4 | 4 | 16 | | |
| | | 4 | 3 | 12 | | |
| | | 4 | 5 | 20 | | |
| | | 4 | 5 | 20 | | |
| | | 4 | 5 | 20 | | |

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| 4 | 4 | 16 | | |
| 4 | 4 | 16 | | |
| 3 | 5 | 15 | | |
| 4 | 4 | 16 | | |
| 5 | 5 | 25 | | |

| Mitigation to minimise Risk | Residual Likelihood | Residual Impact | Residual Risk | Residual Risk Change |
|---|---------------------|-----------------|---------------|----------------------|
| working with UHI and sector agencies to influence SG funding policy; assure sustainable funding allocation within UHI, including merger-related finance and growth plans; increase non-core income from research and business development activities; seek efficiency savings and reductions in costs as outlined in college financial sustainability plan and merger business case; development of estates/net zero and infrastructure strategy and plan; development of international strategy aligned with UHI; seek public and private partnerships to enhance income generation. | 4 | 3 | 12 | ↓ |
| curriculum review and planning; marketing and external engagement strategy; collaboration and alignment with UHI recruitment, marketing and curriculum review activities; utilisation of internal student progression to secure 'internal market'; utilisation of sector initiatives (i.e. SQA, SDS etc) to secure funding for development. | 3 | 3 | 9 | ↔ |
| Compliance manager progressing this, with plans focused on managing and monitoring the full range of college-wide compliance requirements residing in individual departments. | 4 | 2 | 8 | ↔ |

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| Continued engagement in Caithness place based initiative E&SS staffing review being implemented to improve routine maintenance across sites New forward planning procedure & prioritisation for Maintenance & Inspections implemented (Feb 2022). Ongoing engagement with UHI, Councils, Scot Gove and UK Gov, SFT and others regarding strategic capital investment funding to support the college's emerging development plan. | 3 | 3 | 9 |  |
| work closely with research staff on research capacity and contractual/corporate environment; plan and monitor arrangements for grant capture and project performance to ensure funding streams; Collaborate with regional partners to enhance research capabilities and knowledge exchange; secure appropriate share of REF related REG and innovation grant from UHI in relation to REF exercise every seven years. | 3 | 3 | 9 |  |
| Specific and regular trade union meetings highlighting impact on college finances. Regular Comms with Staff. Ongoing representation at Employers Association (requires more influence) Colleges Scotland | 3 | 4 | 12 |  |
| Regular review of Business Continuity Plan and testing Review estate condition survey Ensure business interruption insurance in place | 3 | 4 | 12 |  |
| Ensure associated policies and procedures are understood and adhered to at all levels. Cyber Security compliance aligned with UHI. Sharepoint Information Security and Governance arrangements in place to secure Information asset register. Mandatory Information Security Training for all staff. | 3 | 4 | 12 |  |

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| ensure students are at the heart of key decision making and governance; delivery of student engagement and support strategy | 3 | 3 | 9 |  |
| early formation of a new business development team; secure additional expertise to secure appraisal of strategic business opportunities via UHI, HIE and other agencies as relevant; | 3 | 4 | 12 |  |
| ensure full implementation of the college's people strategy, including recruitment, engagement and reward and recognition; support succession planning as part of organisation design and restructuring | 3 | 4 | 12 |  |
| ensure development of a college sustainability plan to realise the colleges (UHI's) sustainability strategy adopted in 2023-24 | 4 | 3 | 12 |  |
| ensure the college's meaningful engagement with UHI and academic partners to shape and deliver UHI's Transformation Programme and UHI 2030 strategy | 4 | 4 | 16 |  |

REVIEW OF MITIGATING ACTIONS

Review of actions to minimise risk (quarterly review), covering period between November 2024 and February 2025

Funding for 2024-25 reflecting 17% real terms reduction for college sector since 2021-22. UHI allocation for NWH - FE: no growth (in line with no growth for region/college sector); HE - regional reduction, but due to UHI underperformance, HE allocation in line with budget ask, but down on original merger plans for year on year growth; confirmation from SFC that HE underspend will be clawed back from region, impacting on UHI's ability to provide financial flexibility to academic partners. Key in year budget clarification received: 24-25 permission to flex capital between RDEL and CDEL (positive impact on college revenue); SG have agreed to fund teacher pension scheme from April 2024; College has been successful in gaining 280k of emergency capital funding for 24-25 from SFC;

Financial sustainability actions: The college has achieved almost all of its **objectives for annualised savings in 2023-24/Year 1** of the three year savings plan. The college has received confirmation of SFC advance of grant to support the **additional funding requirement in 2024-25** (Year 2 of the financial sustainability plan); agreement reached with SFC and UHI on payback of loan/advance funding of grant once the college has reached financial sustainability and is able to commence any repayment (no timescale stated). **The UK Budget** was announced on 30 October 2024; there is an **estimated 400k additional annualised cost arising from the changes to employer NI contributions**, with an additional pro-rata cost from April 2025 for the college, unless either UK or Scottish Governments cover the cost of NI employer increases for the public sector. Scottish Government's final position on cover in 25-26 budget currently expected; the final **Scottish Government budget for 25-26 for college and universities** is still to be confirmed, but in real terms, there revenue in deficit (<1%), with **inflationary pressures** on non-staff costs are continuing to reduce and stabilise at around 3%. Overall, capital has reduced due to the Dunfermline campus project having been paid off, with individual college funding impact remaining to be seen. The college has held a conference with curriculum and enterprise staff on 5/6 November to discuss **curriculum growth plans for the next three years** which will inform the college's income generation strategies. The college is also **reviewing its infrastructure strategy** to ensure the college's learning infrastructure can support sustainability and income generation strategies as well as provide a fit for purpose learning environment. The college is recording success in funding applications for **research and KE projects**, and is utilising Islands Growth Deal project funding well for development of curriculum as well as capital projects.

The merged college's new integrated curriculum offer for 2024-25 was recruited against for the first time this year, with recruitment for FE performing in line with budget plan, with demand increasing. HE recruitment, in line with rest of UHI and Scottish university sector, is performing below budget, with HE demand in Scotland having dropped in the last three years. The college continues liaison with UHI on improving HE recruitment for UCAS 2025/26 and beyond, and international and RUK recruitment. No additional FE credits available within the UHI region or from SFC re-distribution, with FE targets being met or exceeded. Continuing development of shared FE delivery with UHI Argyll and UHI Shetland. The college is exploring with Bord na Gaidhlig, e-sgoil/CnES and Ceolas a business case to Scottish Government to meet increased demand for Gaelic, following being told by SFC and SG that no additional funds for Gaelic would be available. The college is currently undertaking Curriculum Phase 3, confirming its curriculum plans for the next three years as a core part of the college's strategy development. This will align with the college's set of strategic development projects, linked to income growth strategies and regional economic development.

The college is compliant in all major aspects; excellent SQA Systems verification report completed in February 2024, attesting full confidence in all aspects of the review. Cyber Essentials Plus status re-confirmed in Spring 2024. HSE Stress Risk Management Standards formally adopted in early May 2024, with 12 point action plan being implemented through college wide training and awareness campaign as part of a new 'healthy working lives' college-wide initiative. The college also had an excellent annual engagement visit from Education Scotland at the end of June 2024, with the final report received at the end of August 2024. The college is currently working towards compliance for the model public information scheme to ensure publication of board and committee papers. The college's new Performance and Planning Department has been created as part of the interim new operating structure going forward from August 2024, which will oversee the college's main academic and corporate compliance functions not vested in specific departmental functions (i.e. Finance, HR, IT); the college maintains a specialist DPO function via UHI/HEFESTIS. Any breaches in compliance are reported to the ARM Committee on a quarterly basis in an integrated compliance report as per standing committee agenda.

Information to progress major estates review in progress, in line with sectoral SFC Infrastructure Strategy and Investment Plan - whole college sector action plan being implemented for 2024/25 commencing with baseline data gathering by SFC, with UHI North, West and Hebrides a pilot college. Publication of SFC's college sector infrastructure investment plan is currently awaited for publication in spring 2025. A college infrastructure strategy is available in draft which is currently being further developed to tie in with the college's curriculum and growth plans and college strategy to be agreed in 2024-25. Funded capital projects (Islands Growth Deal Stornoway Campus and SPF/THC funded Green Engineering Maintenance Facility Thurso) progressing to plan; capital funding continues to be sought for Mallaig redevelopment and Fort William STEM campus. The college is currently looking to develop a sustainability and net zero plan in line with the UHI Sustainability Strategy it has adopted, for finalisation in 2024-25. The college is developing local engagement and business development plans for each of its physical centres as part of the new operating structure (Department of Enterprise and Engagement).

review of research environment to be conducted following organisation restructure by end of AY 23-24; this was delayed due to local trade union dispute on organisational redesign; following Unison's resolution of dispute for support staff in December 2024, this is now to be completed by end of 2024/25.

Mitigation of risks relating to merger integration and organisational re-design have now been mainstreamed into departmental operational plans and are monitored through SMT (ELT plus Directors and Heads of Department). joint local dispute regarding organisational re-design declared at end of June 2024: dispute resolved with Unison in December 2024, and full implementation of support staff structure now underway from January 2025, including final consultations, paymapping and job evaluation. Three residual dispute items as yet unresolved with EIS FELA, and dispute stage with Board in January 2025. Should the college be unable to resolve these matters soon, it will seek to bring in ACAS for conciliation purposes. - At national level, pay disputes with both Unison and EIS have been resolved and all industrial action and ASOS have been ceased. Unison FE branch is still in 'special measures' nationally, with relations with the college operating well at present.

review of estates condition as part of SFC Infrastructure Strategy and protocols; return has been made to SFC in October 2024; update of the College's Infrastructure strategy in line with SFC's publication of its Infrastructure Investment Plan later in 2024-25. Review of Business Continuity Plan post-Covid scheduled for AY2024-25.

achieved Cyber Essentials Plus accreditation, working with UHI and partners, in February 2024; maintaining status at present; mitigation working well, and being strengthened with new Performance and Planning department being created in 2024-25.

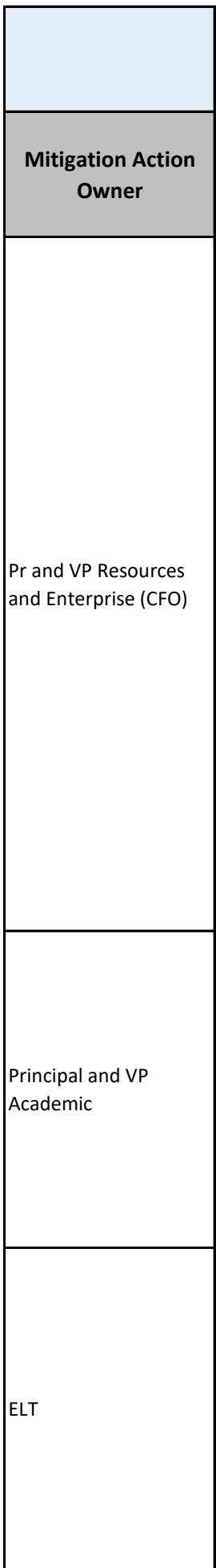
signed memorandum of agreement with Your Student Association (HISA) in March 2024; strategic engagement with new CEO and Director of Engagement for YSA (HISA) continuing on a quarterly basis to ensure coordinated approach; current focus is on ensuring that all three Student Depute Officer posts will be filled for UHI NWH from July 2025 (currently only one post filled) to ensure equitable student voice; excellent student satisfaction rates for college in 2023-24 (SFC, NSS, PG SS) as well as a very high number of HISA Award nominations for over 80 staff; red button report, plus complaints reported through integrated compliance report for ARM on quarterly basis.

SG has not re-instated the Flexible Workforce Development Fund despite strong business lobbying; sector reform moving on, with SFC and SAAS going to be responsible for all apprenticeship and related student funding (SDS remains focused on Careers Advice). Report on Enterprise, Research and KE projects via FGP and LTRC; significant opportunities being pursued under the Islands Growth Deal and Major Development Programme in the Outer Hebrides; liaison with UHI through membership of a strategic forum to ensure coordinated engagement over Inverness and Cromarty Firth Green Freeport; business development strategy and plans for income growth currently being updated, in tandem with Curriculum, Enterprise and Research three year plans being developed in 2024-25. Potential issue with loss of capacity of UHI EO support in context of UHI Change Programme and further staff-related savings programme in 2024-25.

The People and Culture strategy has been fully finalised and approved in December 2024. Focus is now on final resolution of ongoing local dispute with EIS FELA, and implementation of the support staff structure following resolution of local dispute with Unison in December 2024. The annualised savings from 2023-24 VSS programme have been largely achieved (including VSS programme as per business case submitted in November 2023). Focus in 2024-25 is to fully implement the new college structure by end of 2024-25, including related pay mapping and job evaluation. Continuation of local dispute with teaching staff is having negative impact on staff morale and staff wellbeing, as well as productivity. Plans are under way to resource major people investment programme to build new operating, culture and leadership development model for the college post-restructure for AY2024-25. Consolidation into a single HR system (Cascade) has been completed in January 2025. UHI have undertaken and published an Islands Impact Assessment for the Organisational Redesign of the college. Detailed HR report is received by HR committee on quarterly basis.

Whilst the college has adopted UHI's Sustainability Strategy in AY 2023-24, the college does not as yet have a sustainability plan which maps out how it will achieve the public sector climate change targets for the college, with interim targets set by SFC for 2030; work is currently underway to form those plans; however, SFC have halted their capital programme and funding for the college sector, with a new approach awaited as part of SFC's publication of its college sector infrastructure investment plan in 2025. Mitigation will be reviewed once a draft college sustainability plan is available in 2025. A 0.6FTE Sustainability Officer post has just been approved in February 2025 by ELT to support development of the plan, and a cross college staff group has been formed to act as a reference group for the plan. The college has significant staff expertise in this area, both within its research and curriculum teams, who are taking forward a number of major low carbon projects (ICNZ, Peatlands; community energy hubs; sustainable development, to name but a few)

Principal involved in Transition Executive Board, chair on Transition Oversight Board and UHI Court; Board has engaged and fed back to UHI in October 2024 and January 2025 on OBC for change; ELT is engaged in a number of workstreams; however, real risk of UHI NWH not being able to engage fully due to ongoing demands on staff capacity at all levels of the college due to demands of merger integration; unclear as yet how the college's recent merger will be integrated into a new UHI target operating model; risk to college reputation and trust by local stakeholders in college's ability to deliver if UHI Transformation fails; risk to college staff retention due to 'transformation fatigue'; risk to college being able to maintain high standards for BAU; risks for major college plans not being funded by SFC until UHI's Transformation plans are agreed



ELT with VP Resources and Enterprise (CFO) - infrastructure; VP Strategic Development - sustainability

ELT/VP Strategic Development

Principal, Director People and Culture

ELT/VP Resources and Enterprise (CFO)

ELT

