IMPACT ASSESSMENT OF THE UHI NORTH, WEST & HEBRIDES ORGANISATION DESIGN STRATEGY

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Approval

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17 Sep 2024	UHI Senior Executive Team (SET)

Contents

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1 EXECUTIVE SUMMARY

1.1 Background

On 1st August 2023 three colleges in the University of the Highlands & Islands (UHI) partnership – UHI North Highland (NH), UHI Outer Hebrides (OH) and UHI West Highland (WH) – merged to create a single college: UHI North, West & Hebrides (UHINWH). The merger was pursued by the 3 college boards of management because, despite their collective successes, their future viability was at risk given major financial and demographic challenges. The boards voted unanimously in favour of merger in November 2022, and the Merger Proposal & Business Case was ratified through the Scottish Parliament in June 2023, paving the way for legal vesting of the new College.

UHINWH then implemented an Organisation Design strategy to enable it to reorganise its 600-plus staff into a single staffing structure for academic year 2024/25. This change of strategy affects staff based across all 19 UHINWH sites, which includes several island communities: the Isle of Barra, Isle of Benbecula, Isle of South Uist, Isle of North Uist, Isle of Lewis and the Isle of Skye.

1.2 Scope of impact assessment

Given the University of the Highlands & Islands' (UHI) obligations as a "Relevant Authority" in accordance with the Islands (Scotland) Act 2018, it has compiled an impact assessment that evaluates the impact of the Organisation Design strategy on UHINWH staff across its entire geography. From an islands perspective it follows the steps of the Island Communities Impact Assessment (ICIA) process that determine if an actual ICIA is required. These steps are:

1. Develop a clear understanding of the objectives;
2. Gather data and identify stakeholders;
3. Consultation;
4. Assessment of requirement for an ICIA;
5. Preparing the ICIA (if required, otherwise move to step 6);
6. Making adjustments to the work;
7. Publishing the ICIA.

This impact assessment is focused specifically on the UHINWH Organisation Design (OD) 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, via the UHI and UHINWH websites.

1.3 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".

Therefore, the merger aimed to create a more sustainable organisation with combined capacity and resource to grow curriculum, research and innovation, and this is reflected in its founding strategic objectives which focus on:

- Financial sustainability
- Targeted growth in Curriculum, Research & Knowledge Exchange and Enterprise
- Enhancing the Student Experience
- Team resilience and depth

The OD 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 UHINWH organisational structure: a structure that would be both affordable and optimised to the delivery of the College's strategy and goals. The resulting OD 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 is 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 (VS) scheme was a major component. Through non-staff savings, VS, 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 23/24.

- **HR Procedures:** These were developed, consulted upon, approved and issued to underpin the implementation of the new organisation structure. The procedures covered VS, organisational change, the transfer/transition of staff to new structures, and redeployment.

- **Consultation & Communications:** throughout the entire programme there was an extensive range of consultation activities with staff, students, the 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 the EIS-FELA and Unison trade unions via the Local Joint Committee (LJC), and these LJC meetings continue to be held regularly.

- **Approvals:** the Board of Management is responsible for approving the resulting proposed organisation structure and its affordability.

1.4   Analysis

Following the ICIA process steps, 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 VS or for other reasons), existing UHI and UHINWH policies and consultation feedback to date to identify whether there were any unique impacts

on islands communities, or indeed any other UHINWH location. The main findings were as follows:

- Out of the 19 UHINWH sites in the year post-merger there have been staff reductions across 13 college locations, illustrated in the chart below – shown as both staff headcount and Full Time Equivalent (FTE). The largest reductions are associated with the 3 former lead campuses of the legacy colleges, which already had the largest overall concentrations of UHINWH staff. The levels of staff FTE reduction across the other 10 sites vary but are all broadly at or below the average, with no discernible trend. (The 'average' calculations included sites where reductions are zero).
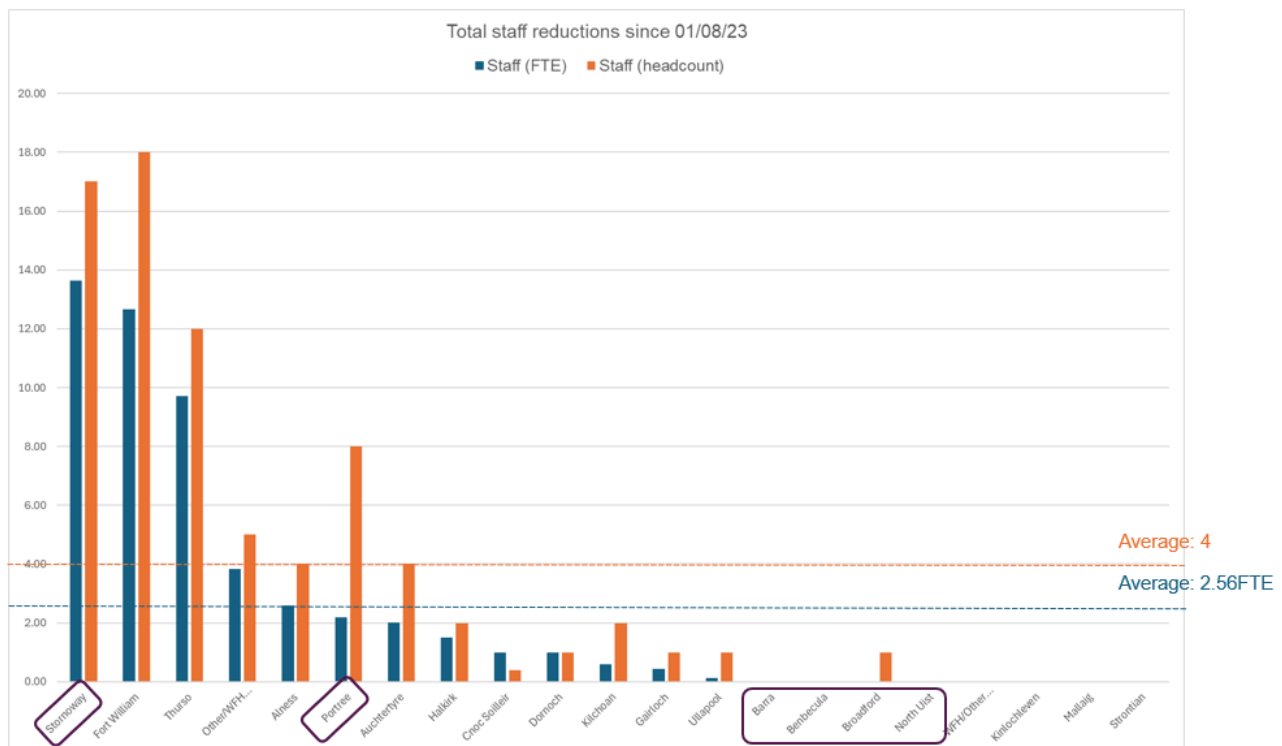
Total staff reductions (VSS and non-VSS) per site since 01/08/23; island sites are ringed on the x-axis

The resulting staffing levels are shown overleaf. 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:

	NH	OH	WH
Managers	8.5%	10.5%	9.6%
Unpromoted staff	91.5%	89.5%	90.4%
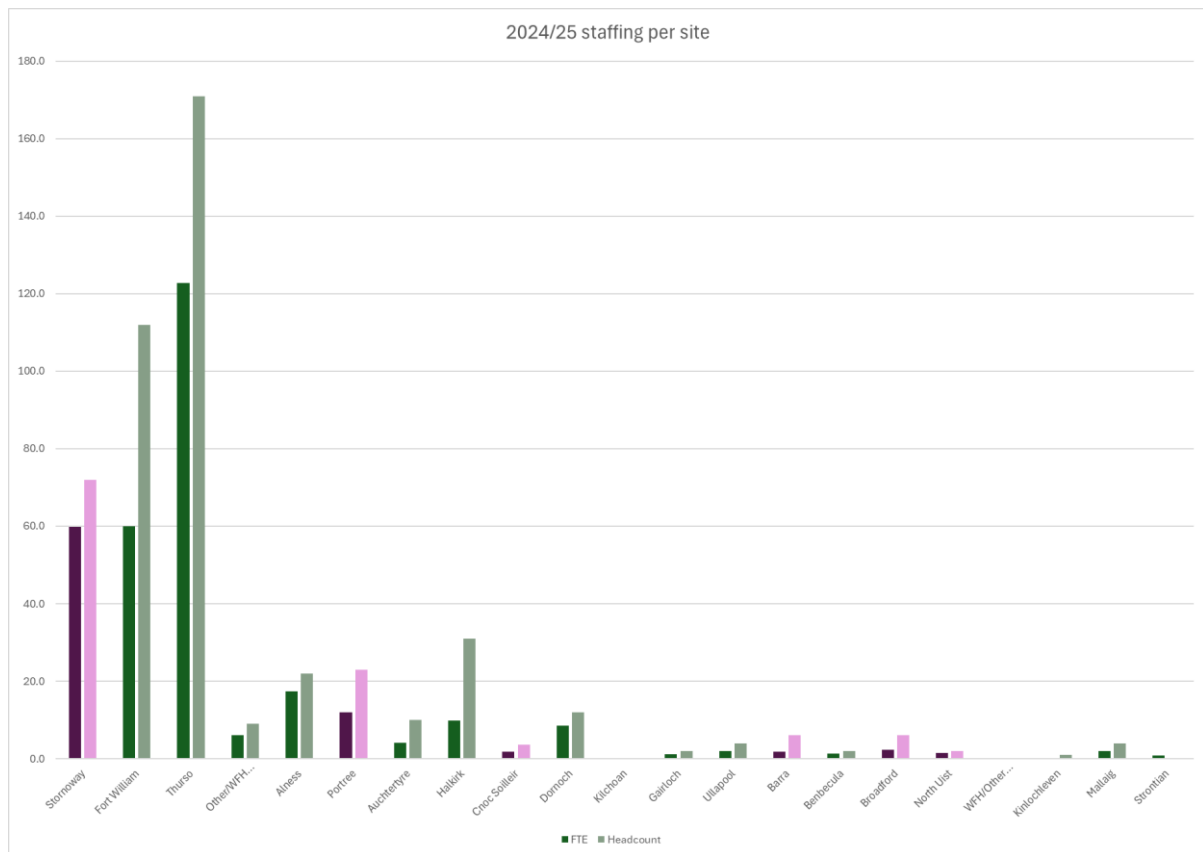
2024/25 staffing per site

UHINWH staffing per site for Academic Year 2024/25; island sites are coloured purple/pink for FTE/headcount.

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

  - **Portree**, Isle of Skye:
    - VSS departures: 1.2FTE/2 staff
    - Non-VSS 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 VS - one took a new job locally, the destination of the other is unknown.

  - **Stornoway**, Isle of Lewis:
    - VSS departures: 11.6FTE/16 staff
    - Non-VSS 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 UHINWH student.

1.5 Assessment

The above figures led to Stornoway being the main focus in assessing if there was a unique impact on an islands community. This impact assessment considers that there is not a significantly disproportionate or different impact on Stornoway and its community because:

- The number of staff that left Stornoway during year 1 of the college is *slightly* higher than the next highest site, Fort William, *but not significantly higher*.

- Stornoway continues to be the third largest UHINWH site by staff population, and it has a proportional share of UHINWH management staff.

- 75% of staff who left Stornoway by VS either retired and stayed in the area or moved on to other work or study in the area.

- The College's involvement in the Outer Hebrides Local Employability Partnership and Islands Growth Deal plans confirm that there continue to be very favourable employment prospects in the region; indeed, UHINWH itself continues to recruit in Stornoway in response to natural staff turnover.

- The changes resulting from the UHINWH OD strategy are necessary and proportionate to achieve a financially sustainable college. The financial challenges experienced by UHINWH are similar and consistent with those being experienced across the UHI partnership and the wider college and university sectors.

In conclusion, the University believes that the changes resulting from the UHI North, West, & Hebrides Organisation Design strategy will not have an effect on any island community which is significantly different from the effects on other communities (including other island communities) during this period of sectoral financial reform and on this basis a fuller and more detailed Islands Community Impact Assessment is not required.

1.6 Adjustments

Following the publication of this impact assessment, UHINWH's Director of People & Culture (heading the department responsible for HR, Organisation Design and Organisation Development, and reporting to the Principal & CEO), will ensure that the College's:

- Recruitment, Selection & Retention policy is updated to ensure due consideration for islands staff and potential, applicants;

- Executive management and the Board of Management's HR committee are kept appraised of staffing trends and in particular any indication that individual sites and island sites are undergoing disproportionate organisation and staffing trends – with recommended action plans for mitigation.

2   INTRODUCTION

2.1   UHI and UHI North, West & Hebrides

On 1st August 2023 three colleges in the University of the Highlands & Islands (UHI) partnership – UHI North Highland, UHI Outer Hebrides and UHI West Highland – merged to create one tertiary education institution: UHI North, West & Hebrides (UHINWH).

UHINWH is part of the UHI partnership, led by its Inverness-based Executive Office ("UHI") and 10 partner colleges/institutions[1]. UHI is more than a traditional university and prides itself on delivering further education, higher education and world-class research to over 36,000 students per year, across its partnership campus of 70 teaching and learning centres.

Since merger, the new College has implemented a major Organisation Design strategy to design, consult upon, approve and implement a single staffing structure for academic year 2024/25 – thus replacing the separate staffing structures of the 3 legacy colleges.

This change of strategy affects staff based across all UHINWH's sites, which includes several island communities. The UHINWH Merger Proposal and Business Case[i] included an Equality Impact Assessment which stated that *"Due consideration will also be given to the UHI's obligations regarding Island Communities Impact Assessments"*. This refers to UHI's obligations as a "Relevant Authority" with responsibilities under, in particular, Section 7 and 8 of the Islands (Scotland) Act 2018[ii] (the "Act").

2.2   Document Purpose

This Impact Assessment evaluates the impact of the Organisation Design strategy on UHINWH staff across its entire geography. From an islands perspective it follows the initial steps of the Island Communities Impact Assessment (ICIA) process[iii] *that determine if an actual ICIA is required*. The document explains how the impact assessment process has been carried out and explains its findings and conclusions.

2.3   Assessment Scope

This assessment is focused specifically on the UHINWH Organisation Design strategy, which is intended to define and implement a new staffing structure for the merged College. Full details of the approach are at section 2.4. The planned implementation of UHINWH's revised and consolidated curriculum delivery is not considered here and will be addressed in a separate impact assessment.

The new College, UHINWH, operates 19 centres across the North and West Highlands, Skye, and Outer Hebrides (Figure 1, overleaf). Therefore, this assessment evaluates if there would be a unique impact on staff at specific locations as a result of the Organisation Design strategy's implementation. If the assessment identifies a unique adverse impact on islands-based staff, then the full ICIA process would be implemented for the location concerned.

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[1]   See map at Appendix 1.

3   Background context: UHINWH

3.1   College Overview

The merger to form UHINWH created an anchor institution of scale and impact within UHI, and the region, supporting approximately 9000 students and 600 staff across 19 learning centres and campuses stretching across the North and West Highlands, Skye and Outer Hebrides. UHINWH aims to have a transformative impact on its communities by encouraging people to live, work and study here by providing opportunities for people to shape their futures in a changing world.

Through a range of courses at all levels, UHINWH removes barriers to learning and providing pathways for students. They can join UHINWH on a course that suits their needs, progress from one level of qualification to the next, and leave with a qualification when the time is right for them. Its flexible delivery model is driven by digital innovation to make the curriculum more accessible. This creates more opportunities for people to learn with UHINWH, providing options for people to study from home, or work, within its rural and island communities; and/or attend on campus; or learn remotely from anywhere in the world.

Figure 1: UHINWH locations
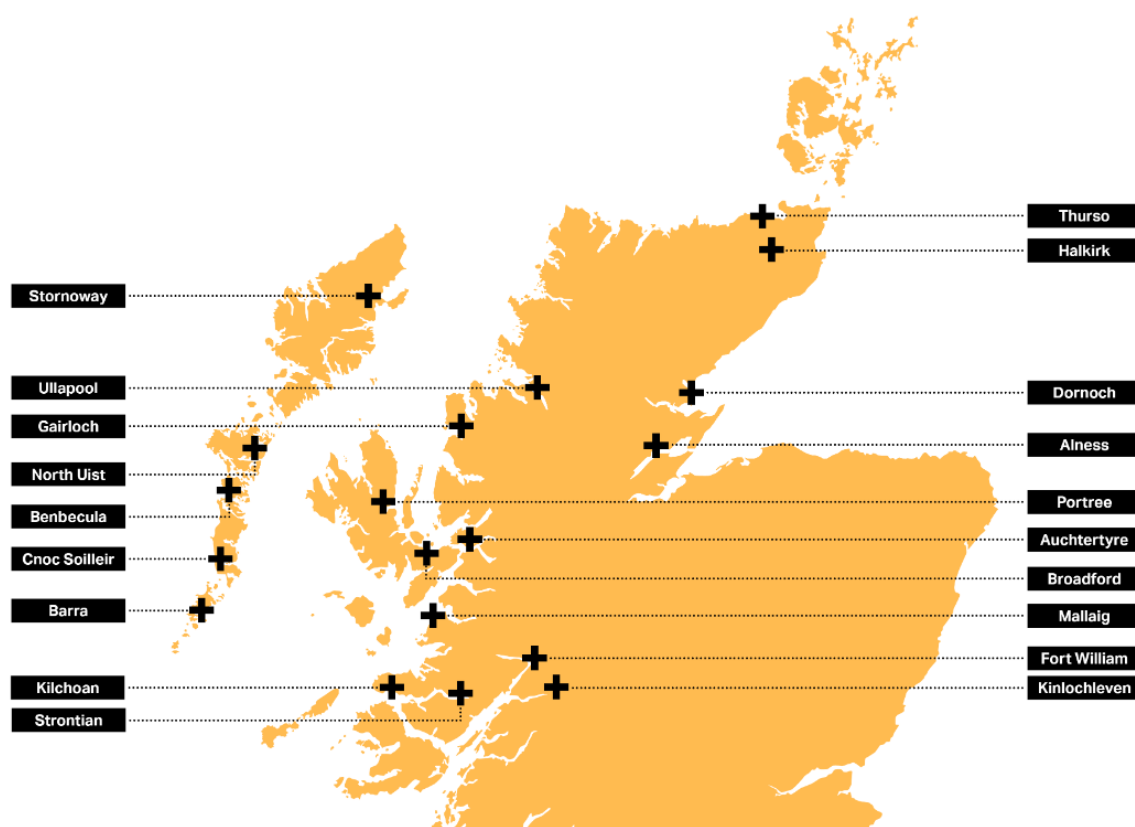
3.2   Merger Background

As single organisations, the 3 legacy colleges each supported their local communities by providing access to learning at all levels; training and skills development for local employers; and world-class research.   However, the boards of management of these colleges recognised that despite their collective successes they could no longer continue as they

had. The colleges were small, facing flat funding for several years, experiencing unprecedented running costs and were operating across dispersed communities with small, declining populations. In early 2021 the boards commissioned a review of their long-term strategic future, leading to creation of a partnership board to explore merger. Following initial consultation in early 2022 with students and staff, publication of the full Merger Proposal and Business Case[i] and then a 10-week public consultation, in November 2022 the boards of management voted unanimously in favour of merger.

The Merger Proposal and Business Case was submitted to the Scottish Government where it was approved by the Minister for Higher Education & Further Education and by the Cabinet Secretary for Education and Skills, and ratified through the Scottish Parliament in June 2023. This enabled the legal vesting of UHINWH to take place on 1st August 2023.

The overall aim has been to create a more sustainable organisation with combined capacity and resource to grow the curriculum, research, and innovation; develop existing and new partnerships to support employers to address skills gaps and retain, attract, and nurture talent; and become more responsive to the social, cultural, and economic opportunities in its regions.

3.3 Strategic Objectives

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.

To realise that Mission, the College's strategic objectives are as follows:

Strategic goal	Benefits
To become a financially sustainable, joined up organisation	+ Longevity of college + Continued access to tertiary education across region + Equality of opportunity and experience across region
To grow curriculum, particularly in key areas that link with our research and commercial opportunities (blue and green economies/Gaelic language)	+ Increased learning offer + Widened access through multi-modal delivery model + Up to date, relevant curriculum for communities + Being a credible choice for local, regional and international students + Increased alignment to Scottish Government priorities and regional needs.
To grow research and knowledge exchange through connecting our current specialisms and developing them alongside our region's potential	+ Increased research income + Enhanced research profile + Upskilling of staff and local communities + Growth of knowledge exchange

Strategic goal	Benefits
To have cohesive and responsive business development teams who can respond effectively and purposefully to opportunities of scale	+ Coordinated, responsive networks across the region + Multi-region teams who cross collaborate to provide training solutions and knowledge exchange in multiple locations + Single point of contact for key industry stakeholders + Resource to identify opportunities and respond proactively
To enhance the student experience through connecting our sites, resources, communities and multi-location programmes	+ Increased student retention + High student satisfaction + Inward migration + More viable programmes + Enhanced student culture
To have resilient team structures and depth of resource to address changing priorities, opportunities and economic difficulties.	+ Efficiency in services through specialist teams + Efficient and consistent processes for students + Efficiency and resilience through combined resource, reduced dependences + Joint delivery of curriculum by diverse teaching staff + Capacity within curriculum to focus on new and innovative ways of delivering learning + Service improvements

3.4   Staffing Structures

3.4.1 Post-merger Interim Structure

Following the vesting date, the College needed to operate under a matrix management arrangement until all the requisite processes had been carried out correctly to enable a new organisation structure to be implemented. Therefore, since merger the College continued to maintain the legacy line management arrangements, overseen by an interim Executive Leadership Team (ELT). In terms of operational delivery, however, it was necessary for staff to work together as far as practicable as one College not three. This was overseen by function-specific working groups (Operational Delivery Groups, ODGs), to manage the integration of functional delivery from 3 sets of systems and processes into a 'one team' model. The resulting interim management approach is illustrated in Figure 2, below. Once the new organisation design is approved and implemented its operational and line management arrangements will then supersede the current matrix arrangement of the ODGs and legacy college line management.
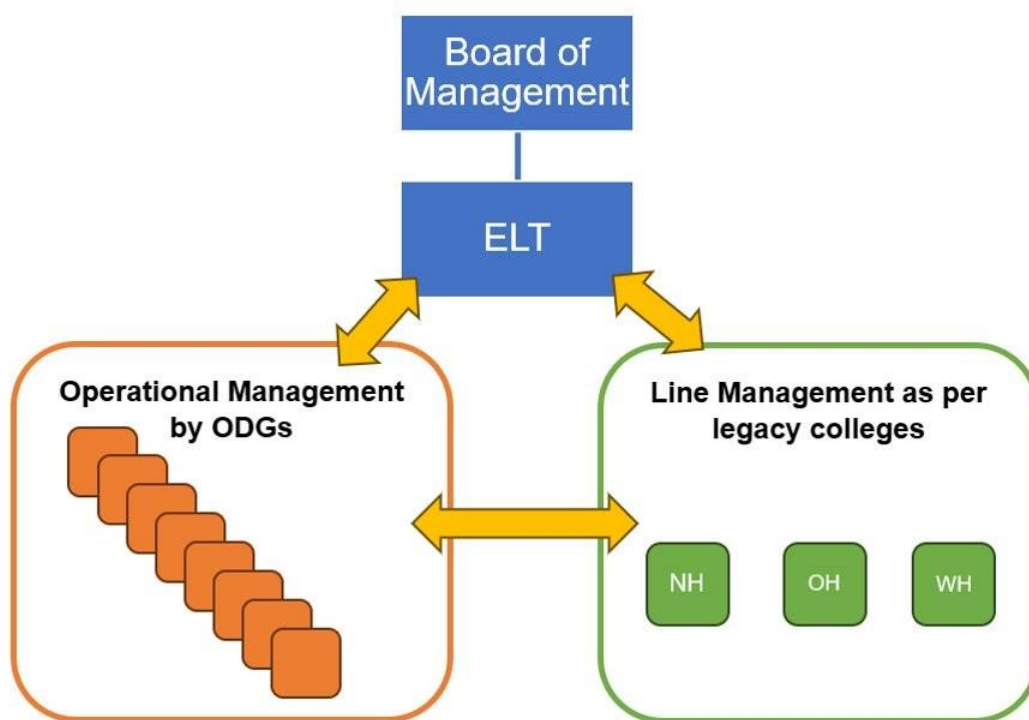
Figure 2: UHINWH Interim Matrix Management approach

3.4.2 Restructure Processes

The Organisation Design strategy comprised a wide range of activities, described below, with an overall objective of designing, implementing and populating an organisational structure for UHINWH that is both affordable and optimised to the delivery of its strategy and goals.

3.4.2.1 Organisation Design

The purpose of the OD process was to design the proposed department, management and staffing-level organisation structure for the College. The main design activity took place over September 2023 to March 2024, starting with an evaluation of strategic priorities for the design, development of design principles and operating model concepts – which led to the initial design of the department and team-level structure of the organisation. In parallel with this activity, 22 function analysis workshops were held with teams of staff to ensure all key functions and processes had been identified such that the draft structure appropriately assigned organisational responsibility for each of them.

Further iterations of the design were completed by developing management structures and team structures and forecasting the quantity of staff (as Full Time Equivalents (FTE)) required in each. The latter activity was developed throughout the process to take account of (1) the available staffing budget for 2024/25, and (2) departures of staff members leaving via the Voluntary Severance Scheme (VSS), described below.

3.4.2.2 Voluntary Severance Scheme

Alongside the OD work the College aimed to deliver a three-year financial sustainability plan addressing the legacy colleges' historic deficits, as well as a real-term reductions in Scottish

Government core funding of approximately 13% since 2021-22. Through non-staff savings, VSS, 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 23/24. The aim is to realise the remainder of those savings through VSS. The first phase of VSS ran from November 2023 to February 2024, and a second phase has run from March 2024 to date.

> Note: the VSS data provided later in this document is accurate as at 19 Aug 2024. At the time of writing the scheme remains open for a very small number of staff still engaged in the individual consultation process.

3.4.2.3 HR Procedures

Several HR procedures were developed, consulted upon, approved and issued to underpin the eventual implementation of the new organisation structure. These included procedures to manage the VSS process, templates and processes for individual staff consultations; and new procedures covering organisational change, the transfer/transition of staff to new structures, and redeployment.

3.4.2.4 Consultation & Communications

- Students. The student body is represented by HISA representatives at the Board of management, and at regular meetings with senior interim Curriculum and Student Experience managers, where they have been appraised of OD objectives and progress and had the opportunity to provide feedback.

- Staff. *Communication* with staff has been regular throughout the entire OD period, through a combination of all staff forums (online and in-person), email updates and dedicated SharePoint sites containing reference information, links to procedures and regularly update Frequently Asked Questions. *Consultation* with all staff has been equally thorough:

  o Individual staff consultations were undertaken in accordance with UHINWH organisational change HR procedures, senior management worked through consultations by organisation tier in the proposed structure from director downwards. Consultations with staff focused on the plans for the individual, their feedback on that proposal, and their feedback on the proposed structure. Staff consultations were carried out with over 570 staff members – the majority individually, often more than once, and in some cases consultation was via a group meeting where there were staff cohorts who directly matched to posts in the proposed structure.

  o Staff could also provide individual or group feedback on the proposed structure to the 'NWH Restructure' inbox, or anonymously via a Microsoft Forms link, or via Staff Ambassadors, or at staff drop-in sessions which were held in-person and online.

- Board of Management. UHINWH ELT members and UHI programme staff have consulted with and updated the Board frequently throughout the OD project – through quarterly committee meetings (especially the HR, Finance & General Purposes and

Audit & Risk Management committees) and at quarterly Board meetings. Board meetings are also attended by student, staff and trade union representatives.

- Trade Unions. Collective consultation has been conducted with the recognised trade unions, EIS-FELA and Unison, via the Local Joint Committee (LJC). Over several months LJC meetings were held fortnightly, and then weekly from mid-May onwards. Extensive information on the proposed structure was shared with LJC members. UHINWH ELT granted extensions to the 30-day legal minimum feedback period, and the College intended for Collective Consultation to be completed by 31/05/24. The union branch representatives surveyed their UHINWH staff members about the proposed structure and provided copies of the survey results to ELT. 55 staff members completed the EIS-FELA survey and 33 completed the Unison survey.

3.4.2.5 Approvals

Approvals responsibility for the proposed new structure is shared between the Board and the interim ELT. Separately the ELT fully engaged in meaningful consultation – as opposed to negotiation - with the recognised trade unions, as described above. Approvals responsibilities were as follows:

- The post of Principal & CEO had already been approved by the Board, following an internal recruitment process.

- In March, having been assured of its affordability, the Board approved the draft proposed organisation structure *for consultation purposes*, ie as the basis for consultation with staff and the trade unions.

- The Board would be responsible for approving the composition of the new ELT.

- The interim ELT would be responsible for approving the *detail* of the proposed organisation below the ELT level.

- The Board would be responsible for approving the overall post-consultation final draft proposed organisation structure, again, having confirmed its affordability with the interim ELT.

3.4.3 Proposed Structure

A draft, proposed organisation structure was approved for consultation by the Board of management. The proposed structure features 8 departments:

Department Name	Role
Curriculum, Learning & Teaching	Dedicated to the delivery of excellent tertiary education with a focus on lifelong learning. It will focus on delivering growth in key subject areas as well as being accountable for curriculum innovation and enhancement including flexible delivery.

Department Name	Role
Student Experience	Dedicated to delivering the right student services and resources leading to increased student satisfaction and outcomes. Oversight of the student journey through student engagement, close collaboration with learning and teaching, and customer experience.
Research & Knowledge Exchange	Dedicated to research delivering growth in specialisms; research led teaching/curriculum development; internationalisation of research and closer working ties with Enterprise & Engagement to develop and enhance commercial proposition.
Enterprise & Engagement	Leads delivery of College-wide growth strategy including international, curriculum, commercial income and research. Includes marketing & communications and engagement staff to build distinctive profile, reputation and business growth across all UHI NWH activities.
People & Culture	Dedicated to maximizing the employee experience and employee performance. Design and oversight of employee lifecycle administration, Organisation Development, industrial relations, employee experience, policy development and staff learning and development.
Infrastructure	Dedicated to provision, maintenance, safety, security, sustainability – and enhancement - of the College's Built Environment and ICT infrastructure, to enable successful delivery of all College activities. Includes provision of campus-related services including janitorial, cleaning, vehicles and canteens.
Finance	Ensuring College finances are managed, regulated and reported in a compliant and sustainable manner, meeting all applicable Board, Audit, UHI, SFC and legal obligations. Oversight of financial-related practices including procurement, and grants & contracts across Research & Knowledge Exchange and Business Development.
Planning & Performance	Dedicated to Total Quality Management, organisational planning, performance, efficiency and sustainable operations. It will have oversight of strategic planning, project management, compliance, performance and overarching themes (including Gaelic Language Plan).

The proposed department/team-level and senior management structures are illustrated on the next 2 pages.
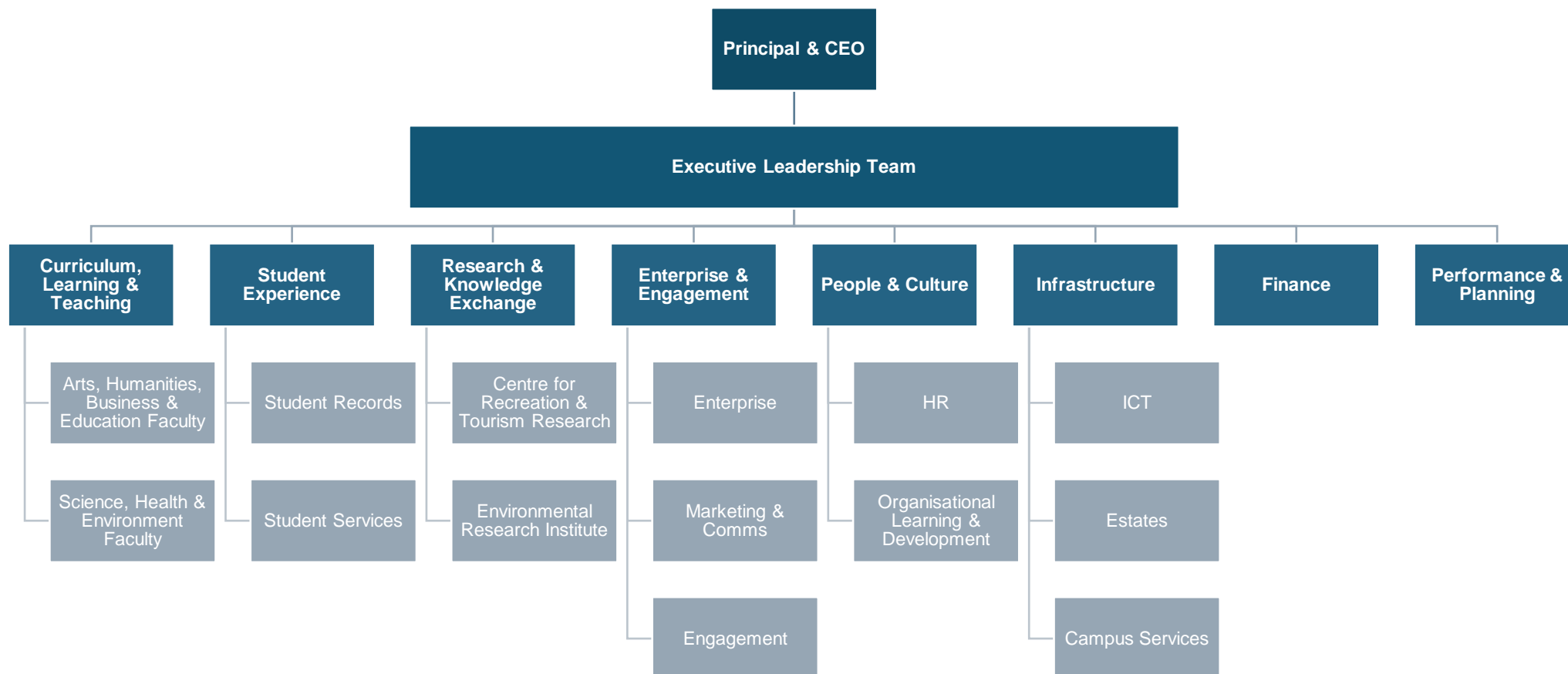
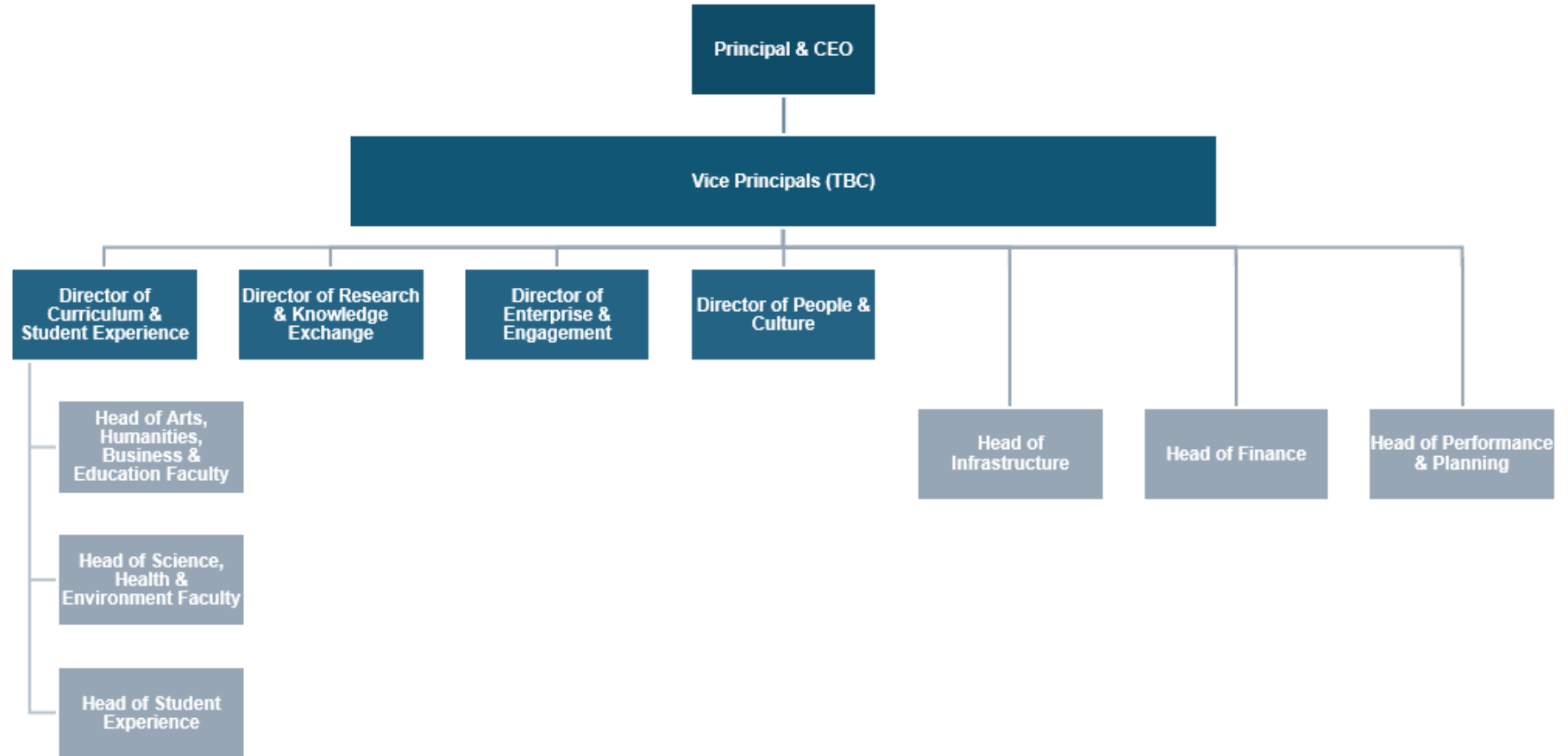Figure 3: UHINWH proposed department/team organisation structure

Figure 4: UHINWH proposed senior management structure

4   IMPACT ASSESSMENT

This section of the document explains the Impact Assessment's evaluation undertaken by following the initial steps of the ICIA process (as detailed in Scottish Government guidance[iv]) – a method which this impact assessment has applied to all UHINWH locations, specifying islands aspects where applicable - with the corresponding findings, such as whether any locations require an ICIA to be completed.

4.1   STEP ONE – *Develop a clear understanding of your objectives*

4.1.1   What are the objectives of the policy, strategy or service?

The Organisation Design strategy's overall objective is designing, implementing and populating an organisational structure that is both affordable and optimised to the delivery of UHINWH's strategy and goals. The new structure would then provide a sustainable platform from which to grow, innovate and provide employment security and opportunities.

By implementing this strategy, the 3 legacy colleges' organisation structures will be replaced by one UNHINWH organisation structure and all staff will be transferred to this new structure in accordance with the supporting HR processes (section 3.4.2.3 refers).

4.1.2   Do you need to consult?

All staff, the Board of Management and recognised trade unions have been consulted with throughout on the aims and progress of the project (sect 3.4.2.4 refers).

- All staff have been consulted; hence, all islands-based staff have been consulted.

- The Board of management features members from across the College's geography, including the islands.

- Trade union branch members include staff members from across the College's geography including UHINWH's island locations, and several branch post-holders are based on the isles of Lewis and Skye.

4.1.3   How are College locations identified – including those on islands – for the purpose of the policy, strategy or service?

All UHINWH sites are listed in the map at Figure 1, and islands-based College locations affected by the strategy are as follows:

- Outer Hebrides
    - Barra, Isle of Barra
    - Benbecula, Isle of Benbecula
    - Cnoc Soilleir, Isle of South Uist
    - North Uist, Isle of North Uist
    - Stornoway, Isle of Lewis
- Isle of Skye

- o [Broadford](#)
- o [Portree](#)

4.1.4 What are the intended impacts/outcomes and how do these potentially differ across UHINWH locations, including those on the islands?

The outcome of the Organisation Design strategy would be the implementation of a new organisation and staffing structure that would provide a sustainable platform from which the College would grow and innovate, thus providing longevity of employment and opportunities. From a staff perspective, the design, consultation and HR processes outlined in [sect 3.4.2](#) were applied identically for everyone irrespective of location.

The majority of the College's business is tertiary curriculum delivery and the demand for courses by type, location and delivery mode determines the staffing structure required in curriculum departments, as well as non-academic teams in supporting and enabling functions. The College has a wide range of curriculum and research specialisations which it inherited from the 3 legacy colleges, and these specialisations all help to drive recruitment to courses – which, in turn, influences the staffing required. Fundamentally, services will continue to be delivered by staff with respect to where they are based, and noting that over 75% of staff were, provisionally[2], directly matched to roles in the proposed structure.

4.1.5 Is the policy, strategy or service new?

The Organisation Design strategy is new. It resulted from the need to develop and implement a unified new staffing structure following the merger that created UHINWH, to replace the 3 legacy colleges' structures. [Sect 3.2](#) refers.

4.2 STEP TWO – *Gather your data and identify your stakeholders*

4.2.1 What data is available about the current situation across UHINWH's geography – including in the islands?

The College's HR team possess staffing data relating to all UHINWH staff, including those based in the islands, and including those staff members who elected to leave since the start of the Organisation Design activity – either under the VSS, or who left for other reasons and were not replaced.

4.2.2 Do you need to consult?

The primary impact of the Organisation Design strategy is on all UHINWH staff therefore consultation has taken place with all staff and the recognised trade unions as described in [sect 3.4.2.4](#).

4.2.3 How does any existing data differ between locations / between islands?

HR data was compiled to show the baseline staffing levels across all UHINWH sites as at vesting day (01/08/23) – recorded as Full Time Equivalent (FTE) staff and as headcount

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[2]   The proposed organisation structure was classed as draft, pending completion of consultation processes and Board approval. In the meantime, for planning purposes, all matching and selection of staff to specific posts was labelled as *provisional*, pending completion of the aforementioned activities.

numbers. *For example, 3 members of staff on 0.6FTE contracts would equate to 1.8FTE with a headcount of 3.*

4.2.3.1 Baseline staffing

The full breakdown of baseline staffing across UHINWH island and mainland sites is shown in the table at Appendix 2. The former lead campuses of the 3 legacy colleges are the largest single College locations in terms of staffing volume. These larger campuses accommodate a significant proportion of curriculum staff, and the majority of non-academic staff (known as either *support staff*, or *professional services staff*) especially in HR, Finance, Infrastructure and Student Experience functions.

Figure 5, overleaf, summarises the baseline staffing level at the 3 major campuses, all other mainland sites (combined) and all islands sites (individual). This is based on which site locations staff physically work at, whether based full-time on site or hybrid working. There are no staff who work full time from home in the islands where UHINWH has a presence.
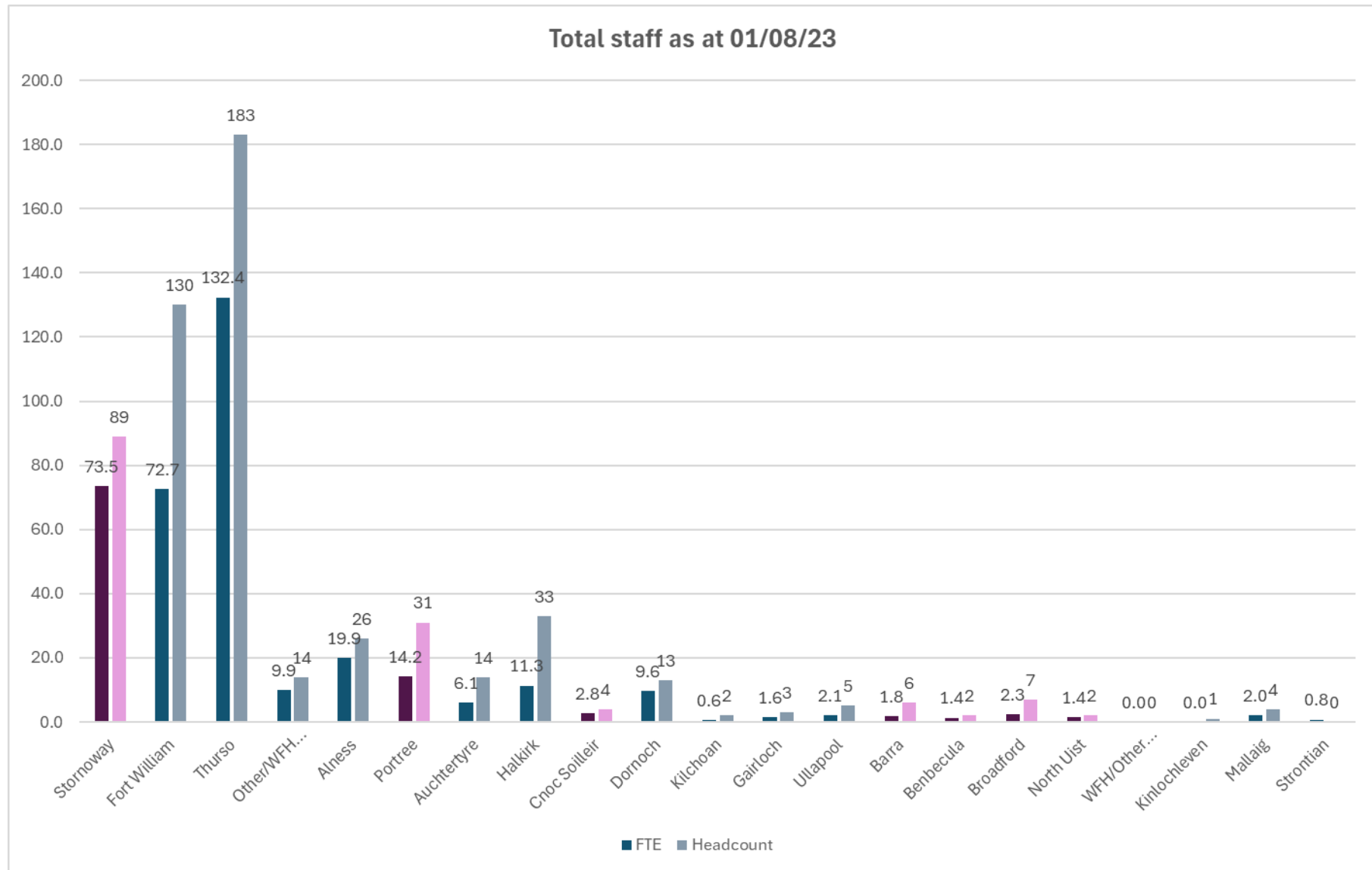
Figure 5: UHINWH staffing totals as at 01/08/24; island sites are coloured purple/pink for FTE/headcount.

4.2.3.2 Staff reductions during the Organisation Design process

As described at sect 3.4.2.2, the new College has had to pursue a challenging magnitude of savings as part of the efforts to position UHINWH as financially sustainable long-term. The VSS has been a major feature of the cost savings approach, along with vacancy management, whereby if staff leave for reasons other than VSS the College management has reviewed the vacant post to see if it still requires to be filled. Therefore, to assess the impact of the Organisation Design strategy on locations where UHINWH has a presence, the data has been reviewed to identify how many staff have left each site – for VSS or other reasons (and not replaced):

- **VSS**
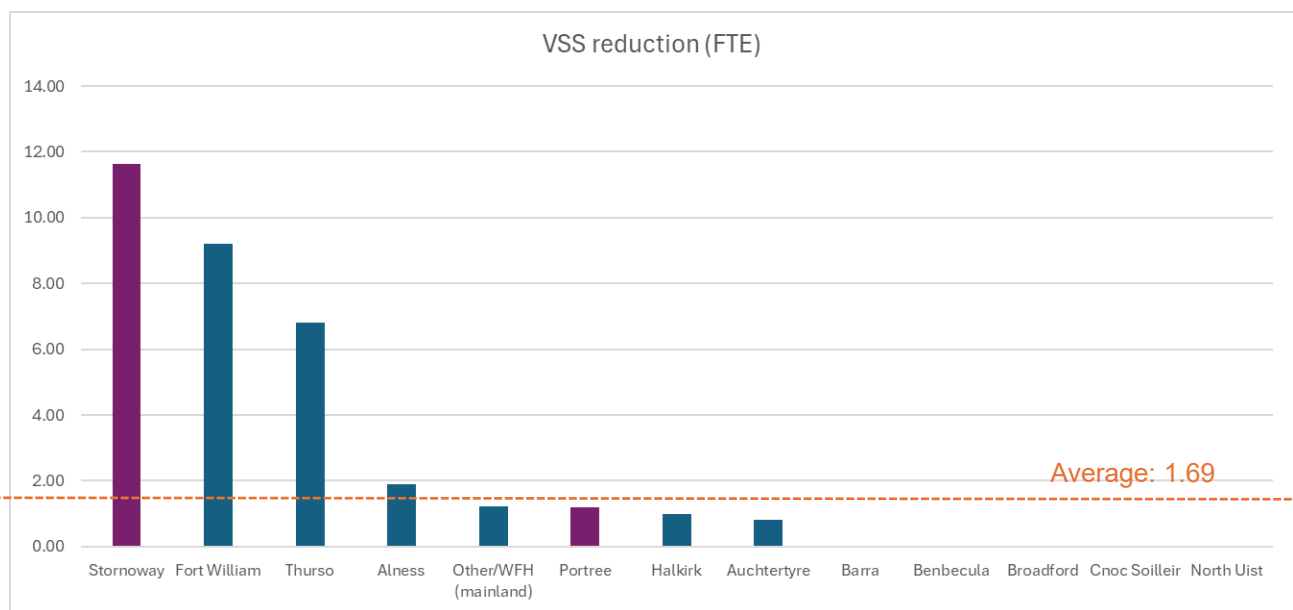
Figure 6 (above): staff reductions (FTE) via VSS since 01/08/23; Figure 7 (below): shows the reductions as a percentage of each locations' baseline total. Islands sites are purple blocks. Sites not shown are all zero.
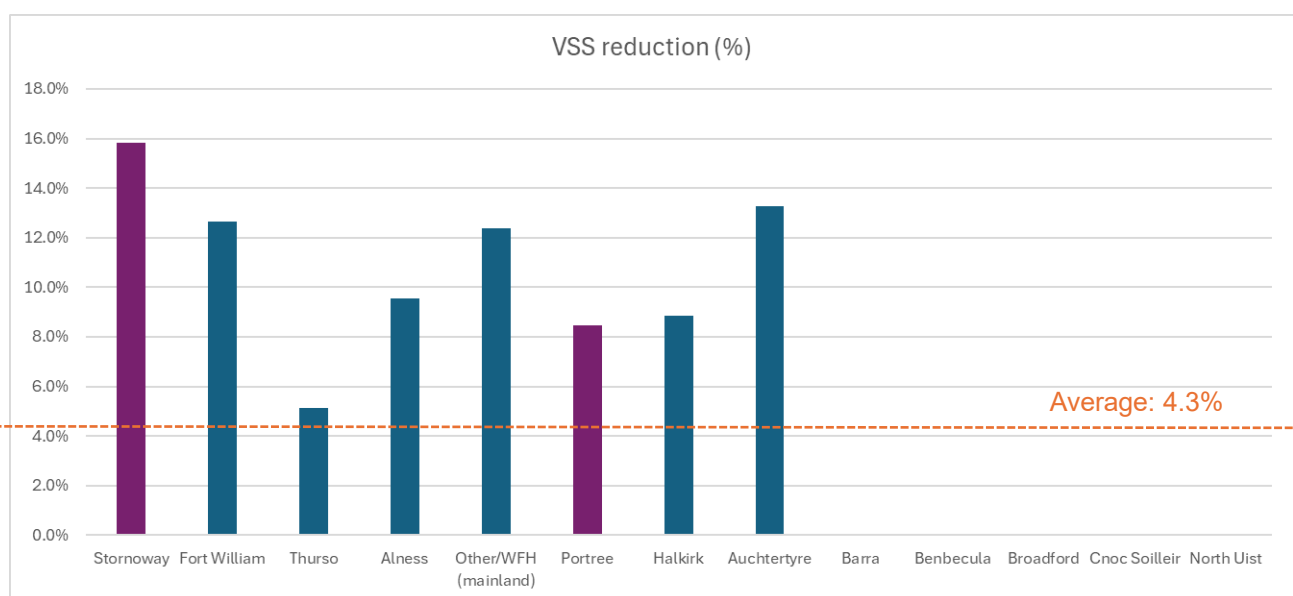
The following charts (figures 8 to 12) provide breakdowns of VSS demographics (all measured as headcount not FTE) in terms of intended destination post-VSS, when they applied and the age breakdown.
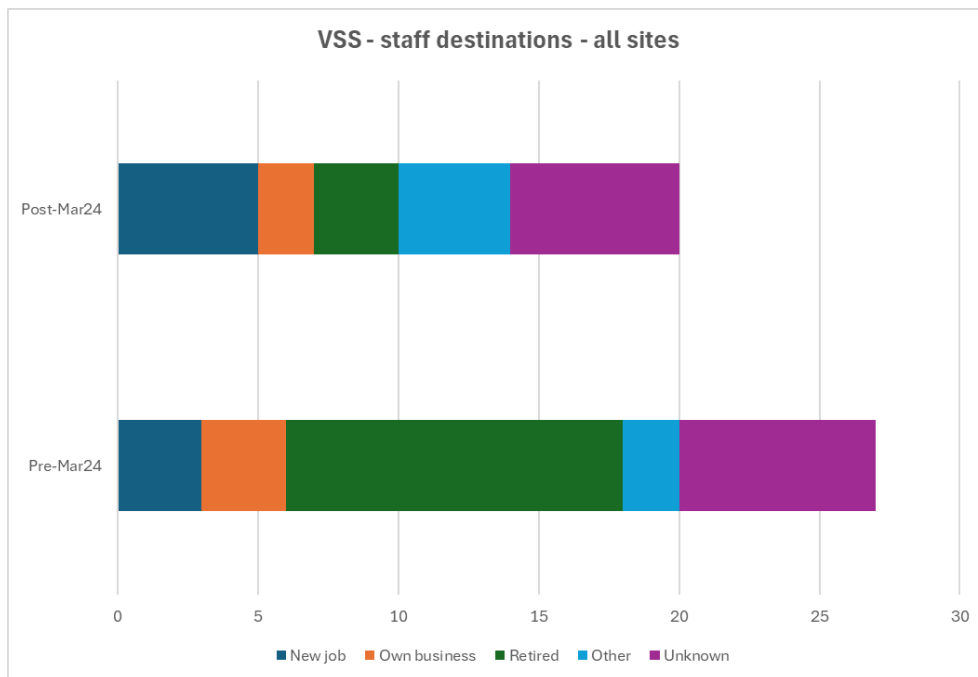
Figure 8: destinations of staff <u>from all sites</u> following departure under VSS. The data is split by VSS applications submitted pre and post-March 2024
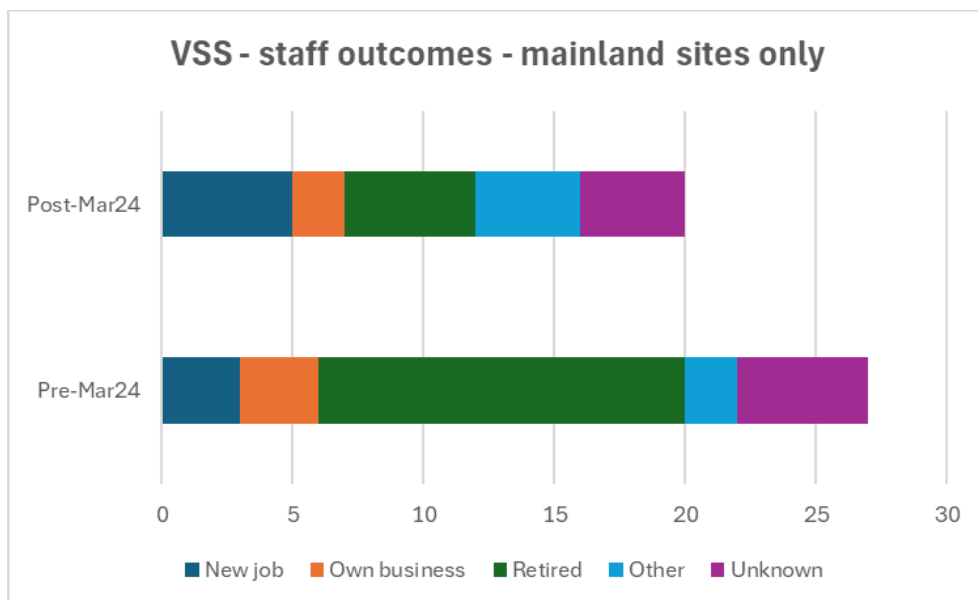
Figure 9: destinations of staff <u>from mainland sites only</u> following departure under VSS. The data is split by VSS applications submitted pre and post-March 2024
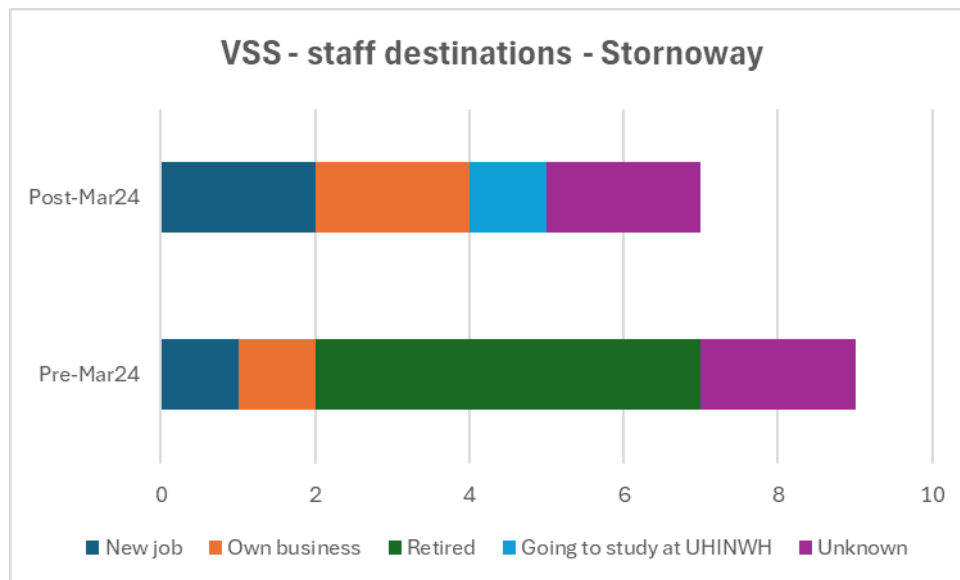
Figure 10: destinations of staff <u>from Stornoway only</u> following departure under VSS. The data is split by VSS applications submitted pre and post-March 2024
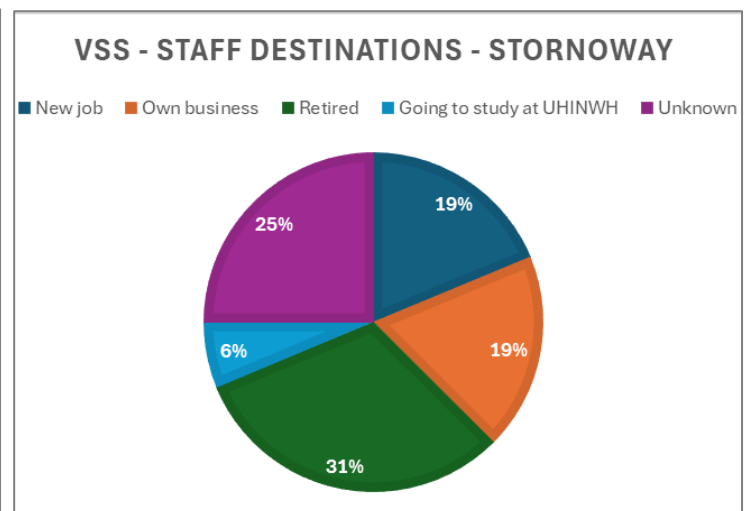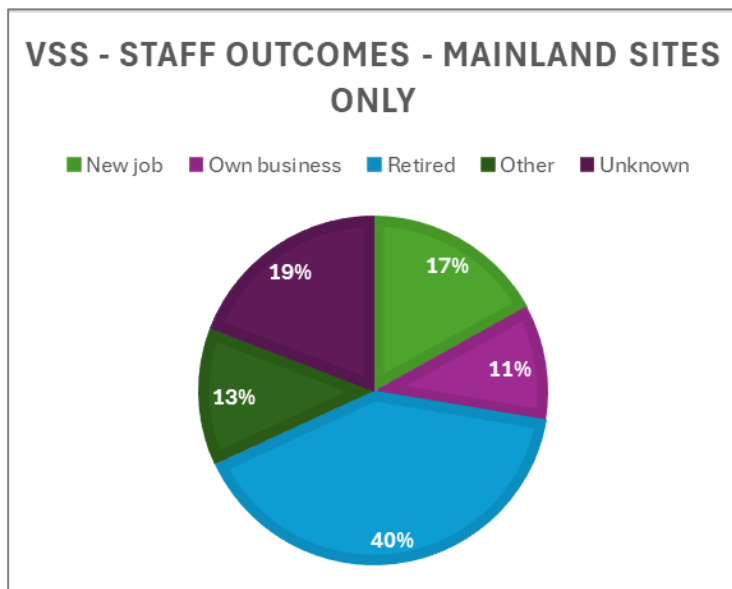
Figure 11a & b: destinations of staff following departure under VSS – (a) Mainland sites' totals on left and (b) Stornoway totals on right

VSS applications by age-band - All Sites

8 | 1 | 2 | 1 | 17 | 18

Legend: 21-24 | 30-33 | 34-39 | 40-54 | 55-64 | 65+

VSS applications by age-band - Mainland sites only

6 | 1 | 1 | 1 | 11 | 9

Legend: 21-24 | 30-33 | 34-39 | 40-54 | 55-64 | 65+

VSS applications by age-band - Stornoway only

2 | 0 | 5 | 9

Legend: 21-24 | 30-33 | 34-39 | 40-54 | 55-64 | 65+
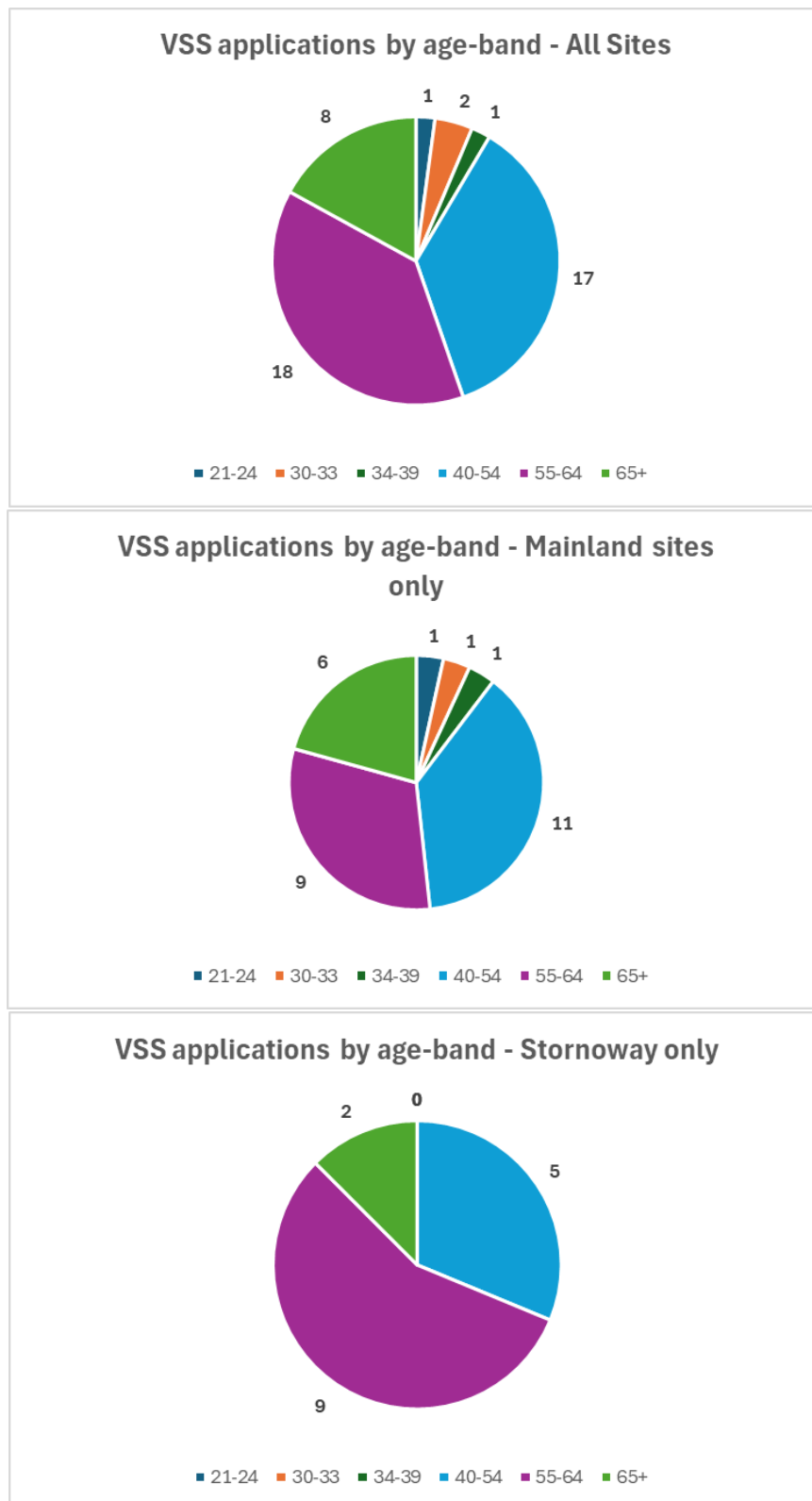
Figure 12a, b & c: VSS applications by age-band at (a) all UHINWH sites, (b) mainland sites only and (c) Stornoway only

The main findings from analysis of the data about staff leaving under VSS are:

  o VSS accounts for a larger proportion of staff leaving since merger vesting day: 66% when measured by FTE and 58% when measured by headcount. The scheme has been entirely voluntary throughout.

- The largest number leaving a single site through VSS is 16 (11.6FTE) members of staff leaving Stornoway; the next highest is 15 staff (9.2FTE) leaving Fort William.

- The only other islands site with staff leaving under VSS is Portree, with one person going on to a new job and the outcome of the other not known.

- More of these staff applied for VSS in the first phase (pre-March 2024) before draft proposals for the restructure were published, than post-March and Stornoway was comparable to the overall and mainland sites in this respect.

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

- The majority of departees across all and mainland sites were over 40, with 40% of mainland-based applicants retiring. The outcomes of 19% are unknown, and the remaining 41% were going on to positive outcomes.

- **Staff departures since 01/08/23 and not replaced (excludes VSS)**
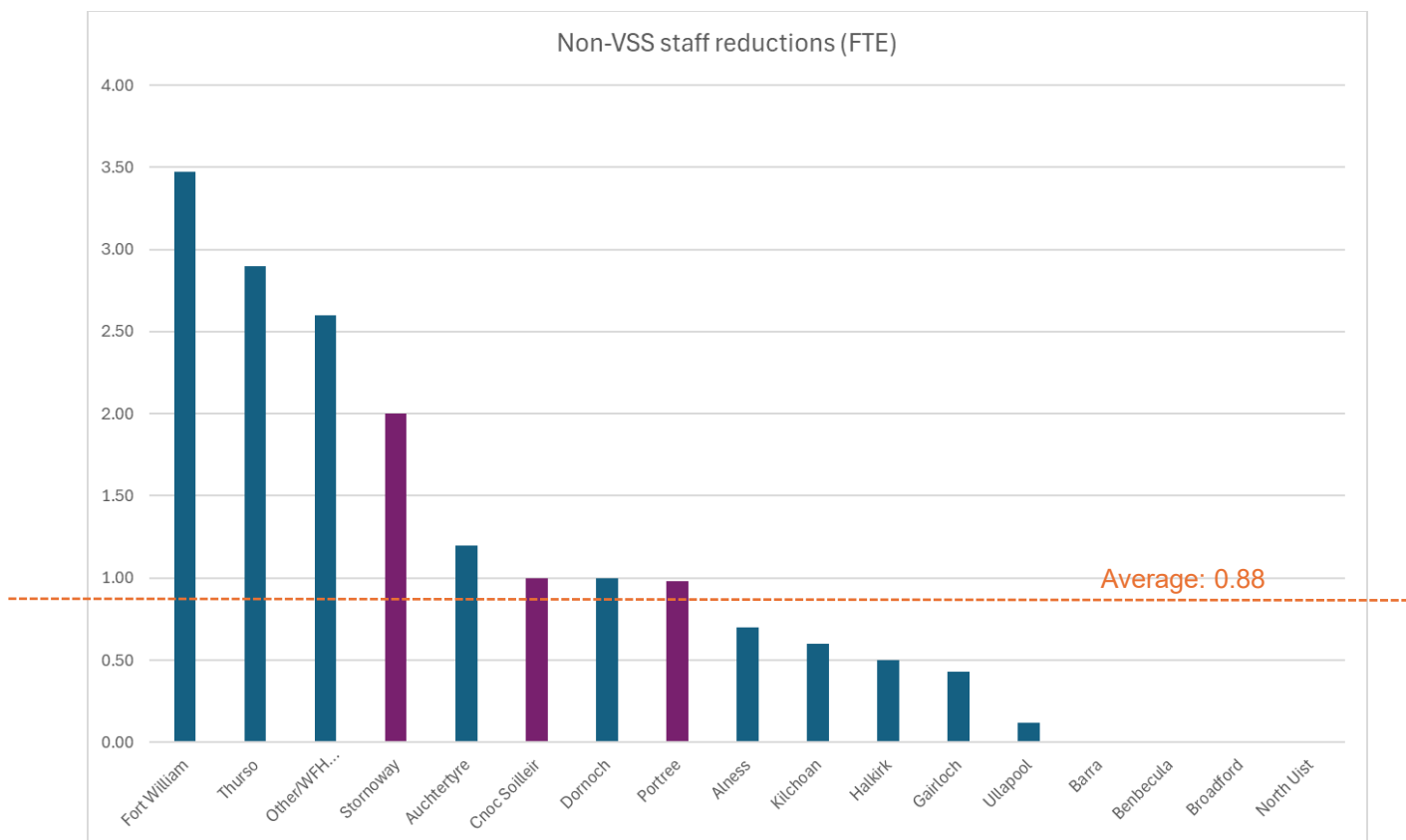
Figure 13: Non-VSS staff reductions since 01/08/23. Islands sites are purple blocks. Sites not shown all zero.

Most of the staff departures in Figure 13 were from staff on fixed-term contracts and those who left due to moving away or to start new jobs.

4.2.3.3 Staffing for 2024/25

Figure 14, overleaf, illustrates the revised staffing levels at each site for the academic year commencing August 2024, based on known VSS figures to date.

It shows zero staff based at the Kilchoan site, so it should be noted that this is managed by staff based at the Strontian site.
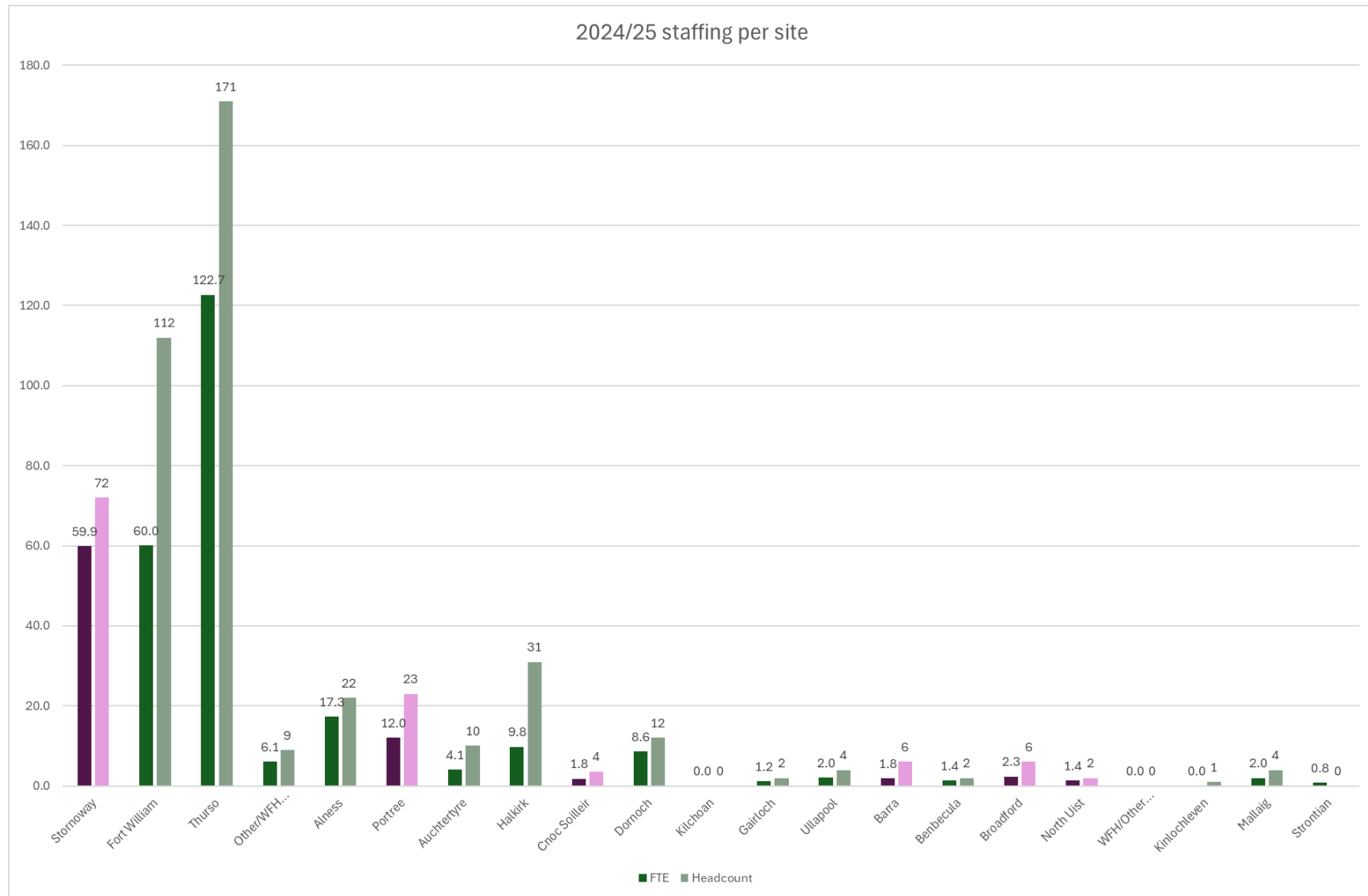
Figure 14: UHINWH staffing per site for Academic Year 2024/25; island sites are coloured purple/pink for FTE/headcount.

4.2.3.4 Proposed College Management summary

Based on the interim structure of the College, the following table summarises the 2024/25 management and unpromoted posts by legacy college region (North Highland (NH), Outer Hebrides (OH) and West Highland (WH)), along with percentages to show the proportion of the legacy college headcount they constitute. *For example, 3 senior managers are based at legacy NH sites, and they account for 1.3% of the staff who work on legacy NH sites.*

	NH	OH	WH	NWH
Senior managers (Principal, VPs, Directors & Heads)	3 (1.3%)	5 (5.8%)	6 (3.8%)	2
Middle managers (curriculum & professional services managers)	17 (7.2%)	4 (4.7%)	9 (5.8%)	0
Total Managers	20 (8.5%)	9 (10.5%)	15 (9.6%)	2
Unpromoted staff	196 (91.5%)	68 (89.5%)	126 (90.4%)	0

Notes:

- The NWH column refers to staff who joined post-merger and are not affiliated to one specific NWH site
- At the time of writing 2 manager posts have yet to be filled, so their location will not be known until recruitments have been completed.

The figures show that when comparing staffing across sites grouped by legacy college region, they have broadly the same proportion of managers to unpromoted staff. Moreover, all manager posts have cross-college remits so in future, if any of these posts become vacant then they can be recruited from across the NWH region to work at any NWH site – including islands-based sites.

4.2.4 Are there any existing design features or mitigations in place?

4.2.4.1 UHI Islands Strategy 2024-29

"As the only university with a physical base and delivering a tertiary educational offer within each of the island groupings, UHI is inspired to deepen its engagement in the islands in order to make an incisive contribution to the sustainable and inclusive development of the islands in new and innovative ways".
UHI Islands Strategy 2024-29

The Strategy[v] sets out how the UHI partnership will work with partners - including UHINWH - to extend and strengthen its activities across Orkney, Shetland, the Inner and Outer Hebrides, Bute and Arran. The Strategy recognises that the UHI partnership has a public responsibility to make a significant contribution to the current national initiatives designed to strengthen island communities. These include:

- our Islands: Our Future, and The Islands (Scotland) Act 2018
- the Islands National Plan and
- the Islands and Argyll and Bute Growth Deals

The Strategy's key themes are illustrated below in Figure 15, and in the Strategy document each is underpinned by a detailed set of objectives.

Key themes for the Islands Strategy include:

A skilled workforce
Supporting the creation and retention of a highly skilled workforce across the islands, including nurturing entrepreneurial ambition and talent attraction

Impactful postgraduate learning and research
Increasing postgraduate and research provision in culture, heritage, archaeology, marine sciences and creative industries

Implementing the Islands Growth Deal and the Argyll and Bute Growth Deal
Contributing to the delivery of the Argyll and Bute and Islands Growth Deals

Thriving languages and cultures
Supporting our islands' languages and dialects, including Gaelic

Sustainable communities
Attracting new activity and people to the islands and to be based in the islands.

Figure 15: Summary of key themes of the UHI Islands Strategy 2024-29

4.2.4.2 UHINWH Strategic Objectives

Sect 3.3 describes the UHINWH strategic objectives. The sixth goal (below) is directly linked to maintaining a focus on staff opportunities and growth across all UHINWH locations.

To have resilient team structures and depth of resource to address changing priorities, opportunities and economic difficulties.	+ Efficiency in services through specialist teams + Efficient and consistent processes for students + Efficiency and resilience through combined resource, reduced dependences + Joint delivery of curriculum by diverse teaching staff + Capacity within curriculum to focus on new and innovative ways of delivering learning + Service improvements

4.3   STEP THREE – *Consultation*

4.3.1   Who do you need to consult with? / How will you carry out your consultation and in what timescales?

The primary impact of the Organisation Design strategy is on all UHINWH staff therefore consultation has taken place with all staff and the recognised trade unions as described in sect 3.4.2.4, which included all islands-based .

4.3.2   What questions will you ask when considering how to address rural and island realities?

The consultation that has taken place, as described above, requested open feedback on the proposed structure and supporting processes in the context of both the individual and its suitability to place the College on a sustainable financial footing, thus enabling it to consolidate, innovate and grow – to benefit students, staff and communities across its entire rural and island geography. Consultations with the Board, staff and trade unions have all emphasised that this impact assessment would be carried out in accordance with the ICIA process.

4.3.3   What information has already been gathered through consultations and what concerns have been raised previously by island communities?

Feedback was collated from all staff and the trade unions as described in sect 3.4.2.4, and fell into two broad categories: feedback concerning the proposed structure, and feedback about the project timescales and HR processes. The Structure-related feedback has been collated into an evaluation report and presented to the Board of management, trade unions and all staff – including all islands-based staff. The report assessed each unique feedback item and made recommendations on whether changes should be made to the proposed organisation or not. The general, non-structure-related feedback will be reviewed and compiled in an equivalent report shortly.

Most of the structure-related feedback concerned the senior management structure and proposed changes to the curriculum management model. There was only one location-related item of feedback raised by 2 separate staff members, highlighting the need for *the proposed structure to not adopt a 'one-size fits all' approach so as not to disadvantage students and geographical areas*. The College response to this was as follows:

> The staffing & management structure was derived from the proposed refresh of the College's department structure which, in turn, was derived from a concept focused on supporting students at all of our locations – at our physical and virtual locations. Thus, the curriculum departments complement the UHI curriculum structure to simplify communication and increase delivery efficiency to all students; the curriculum review has evaluated the full range of delivery activity and in-person delivery remains the key attribute: over 80% of our further education qualifications and courses will be taught face to face on campus, in school, or outdoors next year. In parallel with these plans, the Enterprise & Engagement department increases the connection between Marketing & Communications and business development activity with learning centres and curriculum plans; and likewise the new Student Experience department

will maintain key connections with students at all campuses, learning centres and online.

4.3.4 Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?

Should UHI, as a Relevant Authority, need to conduct an ICIA in this instance then the consultation undertaken as described in this document is sufficient to comply with its section 7 duty of having regard to island communities in carrying out its functions.

4.4 STEP FOUR – *Assessment*

4.4.1 Does your assessment identify any unique impacts on UHINWH locations / between islands?

4.4.1.1 Sites with no staff reductions

This analysis identified that the following sites have <u>not</u> been subject to any staff reduction through VSS or other reasons:

- Mainland:
    - Kinlochleven
    - Mallaig
    - Strontian
- Islands:
    - Barra (Isle of Barra)
    - Benbecula (Isle of Benbecula)
    - North Uist (Isle of North Uist)

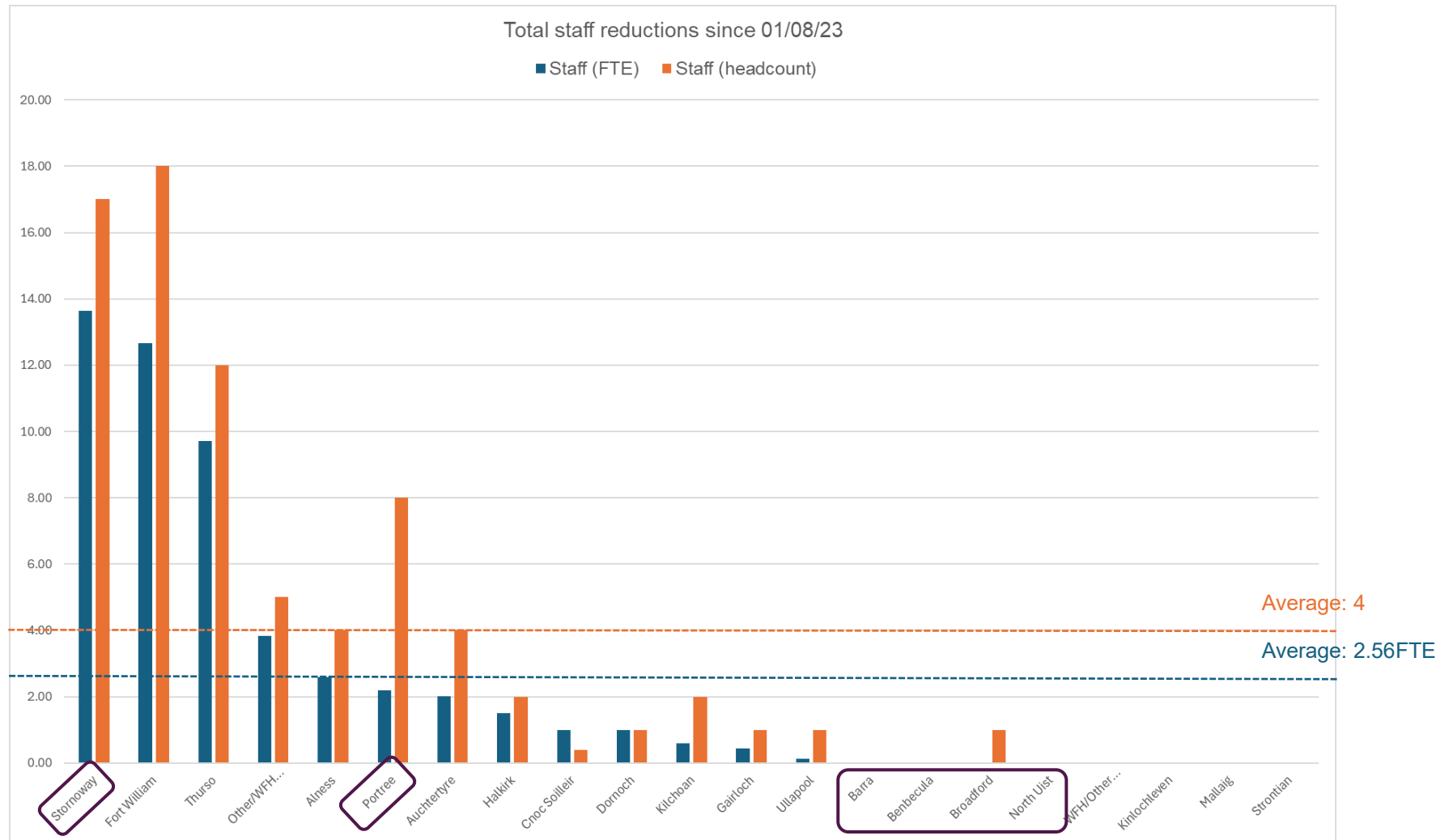## 4.4.1.2 Staff reductions during Organisation Design

Figure 16: total staff reductions (VSS and non-VSS) per site since 01/08/23; island sites are ringed on the x-axis

Analysis of the HR data confirmed that through the Organisation Design process there have been staff reductions across the 13 college locations listed on the chart at Figure 16 - out of the total 19 sites - plus staff who work elsewhere or were home-based on the mainland. The largest reductions are associated with the 3 former lead campuses of the legacy colleges (sect 4.2.3.1 refers), which already had the largest overall concentrations of UHINWH staff. The levels of staff reduction (FTE) across the other 10 sites vary but are all broadly at or below the average, with no discernible trend.

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

- **Portree**, Isle of Skye

    o VSS departures: 1.2FTE/2 staff

    o Non-VSS departures: 0.98FTE/6 staff

On the Figure 16 chart 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. Of the 2 staff leaving under VSS, one of them was taking a new job locally, the destination of the other departing employee is unknown.

- **Stornoway**, Isle of Lewis

    o VSS departures: 11.6FTE/16 staff

    o Non-VSS departures: 2.0FTE/2 staff

Compared with the other 2 former lead campuses (Fort William and Thurso) Stornoway has undergone a proportionally higher staff reduction in terms of FTE, but not in terms of staff headcount – Fort William is higher in that regard. Detailed analysis of the VSS departures is at section 4.2.3.2.

4.4.2 Does your assessment identify any potential barriers or wider impacts? How will you address these?

The main risk was that the Organisation Design strategy's aim to establish the new College as a financially sustainable platform for future growth in learning, teaching and research would concentrate benefits to staff more in certain locations or certain island groups. This growth would be driven by several factors:

- Achieving the required savings;
- Managing the College staffing within the available budget and aligned to strategic objectives;
- Delivering growth in response to student and market demands;
- Leveraging specialist expertise at all UHINWH locations.

The College strategic objectives and operational planning approach addresses all of these factors, which would mitigate the potential for barriers to manifest that might create unique impacts on specific UHINWH locations.

4.4.3 Is the Organisation Design strategy likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities).

The University considers that the proposals to change services made by UHINWH are necessary and proportionate to achieve a financially sustainable college. The financial challenges experienced by UHINWH are similar and consistent with those being experienced across the UHI partnership and the wider college and university sectors. In accordance with the University's 2030 Strategic Plan, the University and all UHI partners are seeking to deliver operational excellence to become a more integrated institution and to become financially sustainable.

The analysis in this document demonstrates that there is not a significantly different effect on any of the College sites, including islands-based sites.

The number of staff that have left Stornoway during year 1 of the college is <u>slightly</u> higher than the next highest site, which is Fort William – but *not significantly* higher, proportionally, than the other large sites. All other island sites' staff reductions are below the average, except Portree based on departing headcount – but this figure is comparatively higher due to the number of casual contracts who have left. This impact assessment considers that there is not a significantly disproportionate or different impact on Stornoway and its community because:

- It continues to be the 3rd largest UHINWH site, by staff population, and it has its proportional share of UHINWH senior management staff and of all management staff.

- Staff who left under VSS either retired and stayed in the area (11 staff were over 55 and 5 of them retired) or moved on to other work or study in the area. Future plans for 4 were unknown.

- The Outer Hebrides Local Employability Partnership (OHLEP), of which UHINWH is a member, meets regularly to monitor and assess local labour market opportunities, in particular the number of vacancies across the public and sector. The most recent survey activity shows that there are currently over 40 vacant part-time and full-time posts that cannot be filled. This trend has been a feature of the local labour market since Covid with more jobs available than people to fill them. Very recently, the closure of the Bakkafrost salmon processing facility saw the loss of 77 jobs. However, through the intervention of PACE and direct engagement with employers through the OHLEP, a significant proportion of those made redundant were able to find work. This highlights the resilience and ability of the local labour market to absorb job losses and the effectiveness of direct employer engagement through PACE and the OHLEP when the need arises. (Supporting data at the references[vi,vii]).

- At the time of writing the Stornoway campus is recruiting against 3 posts across curriculum and professional services departments, and further recruitment is expected to continue commensurate with the natural turnover of staff at the College's larger sites. (A vacant post at Portree is also currently being recruited against).

- The Outer Hebrides Campus Redevelopment Project has now delivered a Technology and Innovation Centre at the Stornoway campus, including a Future

Energy Lab, Engineering workshops and study spaces, a Newton Room to provide STEM learning experience to primary and secondary pupils. The Project also includes a new student hub, where students can socialise and collaborate, and mobile STEM facilities and equipment, which will enhance the college's outreach work throughout the Outer Hebrides. The Redevelopment Project is one of several projects under the Islands Growth Deal, a ten-year package of investment that will seek to drive economic growth and the creation of sustainable jobs across the Outer Hebrides, Shetland and Orkney.

In conclusion, the University believes that the changes resulting from the UHI North, West, & Hebrides Organisation Design strategy will not have an effect on any island community which is significantly different from the effects on other communities (including other island communities) during this period of sectoral financial reform and on this basis a fuller and more detailed Islands Community Impact Assessment is not required.

4.5   STEP FIVE – *Preparing the ICIA – Not Required*

As explained in the previous section, an ICIA is not required.

4.6   STEP SIX – *Making adjustments*

4.6.1   Organisation Development and HR policies, plans and processes

Following the final approval and implementation of the proposed organisation structure at UHINWH, the Director of People & Culture (heading the department responsible for HR, Organisation Design and Organisation Development, and reporting to the Principal & CEO), shall ensure the following:

- That UHINWH Organisation Development and HR policies, plans and processes are applied equally and consistently to all staff across all UHINWH locations, including those on the islands.

- That these policies, plans and processes will not create unique adverse impacts to any UHINWH location, and shall demonstrate to the UHINWH Board's HR Committee that due consideration for islands communities is maintained at all times.

- In the short-term, they will ensure that the College's *Recruitment, Selection & Retention* policy is updated to include proactive steps and monitoring to ensure that the policy gives due consideration for islands communities and ensures that islands applicants are not disadvantaged by their location.

4.6.2   Trend Monitoring

The Director of People & Culture will ensure that the College's executive management and Board HR committee are kept appraised of staffing trends and in particular any indication that individual sites and island sites are undergoing disproportionate organisation and staffing trends – with recommended action plans for mitigation.

4.7 STEP SEVEN – Publishing the Impact Assessment

- The Impact Assessment will be published in two formats

    o The full document will be shared with UHI senior management and at UHINWH: the Board, staff and recognised trade unions.

    o The executive summary will be published as a stand-alone document in English and Gaelic on the UHI and UHINWH websites.

- The document has been compiled by the UHI Programme Director for Merger Implementation & Integration and will be signed off by the UHI Director of Transformation on behalf of the University.

Appendix 1 – Map of UHI Locations
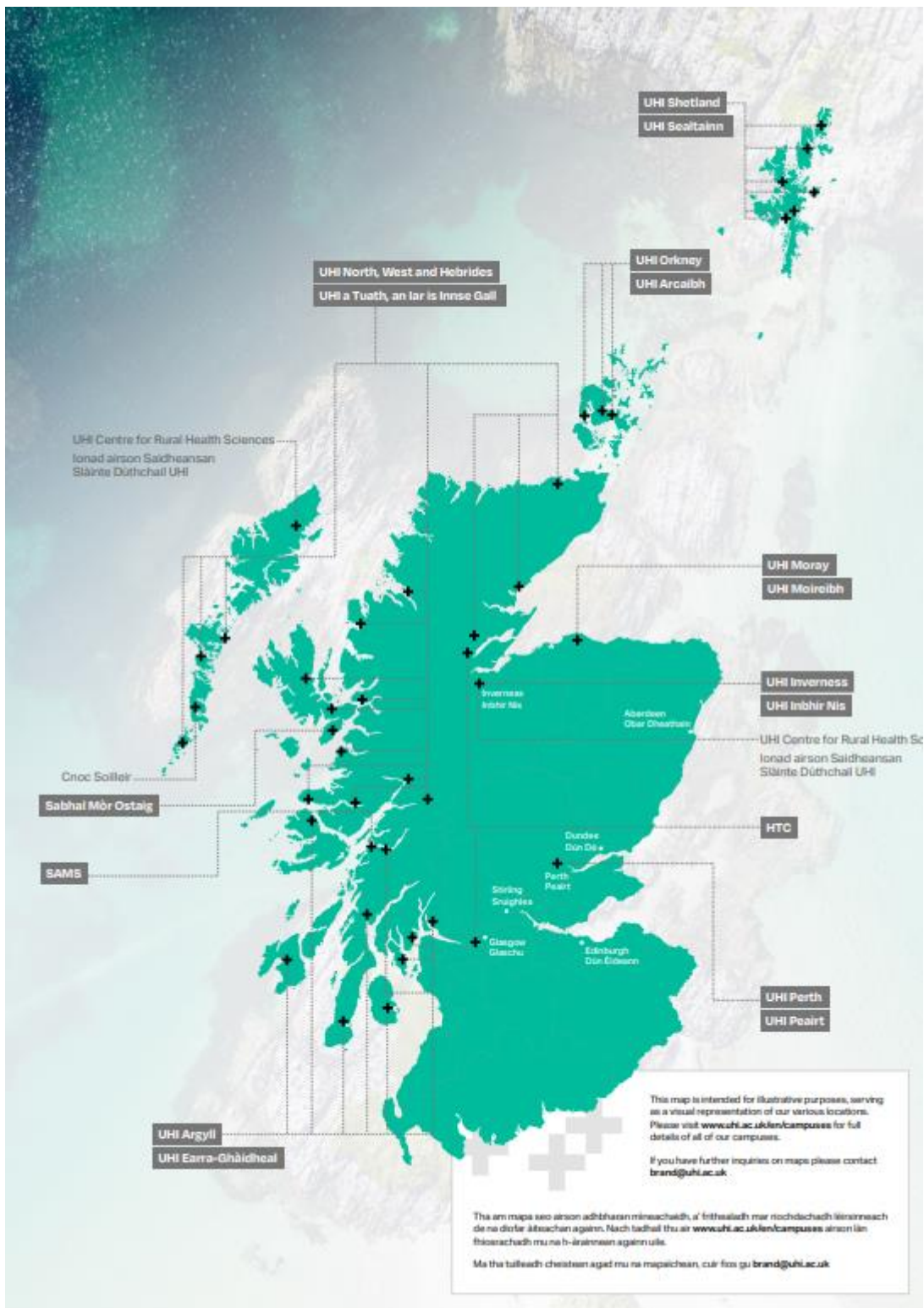
Appendix 2 – Baseline staffing data and staff reductions due to VSS & other reasons

	Working location	Stornoway	Fort William	Thurso	Alness	Other/WFH (mainland)	Portree	Halkirk	Auchtertyre	Barra	Benbecula	Broadford	Cnoc Soilleir	North Uist	WFH/Other (islands)	Dornoch	Gairloch	Kilchoan	Kinlochleven	Mallaig	Strontian	Ullapool
Staff data since 01/08/23																						
Total staff as at 01/08/23	FTE	73.54	72.68	132.40	19.90	9.93	14.18	11.30	6.10	1.84	1.36	2.33	2.80	1.40	0.00	9.60	1.59	0.60	0.00	2.00	0.75	2.13
	Headcount	89	130	183	26	14	31	33	14	6	2	7	4	2	0	13	3	2	1	4	0	5
Total approved for VSS to date	FTE	11.64	9.20	6.80	1.90	1.23	1.20	1.00	0.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Headcount	15	13	8	2	2	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0
VSS % reduction vs baseline	FTE	15.8%	12.7%	5.1%	9.5%	12.4%	8.5%	8.8%	13.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Headcount	16.9%	10.0%	4.4%	7.7%	14.3%	6.5%	3.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Staff departures and not replaced - excl VSS - to date	FTE	2.00	3.47	2.90	0.70	2.60	0.98	0.50	1.20	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.43	0.60	0.00	0.00	0.00	0.12
	Headcount	2	5	4	2	3	6	1	3	0	0	1	0	0	0	1	1	2	0	0	0	1
Non-VSS staff departures % reduction vs baseline	FTE	2.7%	4.8%	2.2%	3.5%	26.2%	6.9%	4.4%	19.7%	0.0%	0.0%	0.0%	35.7%	0.0%	0.0%	10.4%	27.0%	100.0%	0.0%	0.0%	0.0%	5.6%
	Headcount	2.2%	3.8%	2.2%	7.7%	21.4%	19.4%	3.0%	21.4%	0.0%	0.0%	14.3%	10.0%	0.0%	0.0%	7.7%	33.3%	100.0%	0.0%	0.0%	0.0%	20.0%
Total reduction	FTE	13.64	12.67	9.70	2.60	3.83	2.18	1.50	2.01	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.43	0.60	0.00	0.00	0.00	0.12
	Headcount	17	18	12	4	5	8	2	4	0	0	1	0	0	0	1	1	2	0	0	0	1
Total reduction % vs baseline	FTE	18.6%	17.4%	7.3%	13.1%	38.6%	15.4%	13.3%	33.0%	0.0%	0.0%	0.0%	35.7%	0.0%	0.0%	10.4%	27.0%	100.0%	0.0%	0.0%	0.0%	5.6%
	Headcount	19.1%	13.8%	6.6%	15.4%	35.7%	25.8%	6.1%	28.6%	0.0%	0.0%	14.3%	10.0%	0.0%	0.0%	7.7%	33.3%	100.0%	0.0%	0.0%	0.0%	20.0%

References

i   https://nwh.uhi.ac.uk/en/t4-media/one-web/nwh/about-us/merger-background/RICM-Merger-Proposal-and-Business-Case-Nov-2022-FINAL-SUBMISSION.pdf

ii   https://www.legislation.gov.uk/asp/2018/12/section/7/enacted

iii   https://www.gov.scot/publications/island-communities-impact-assessments-guidance-toolkit-2/pages/4/

iv   https://www.gov.scot/publications/island-communities-impact-assessments-guidance-toolkit-2/pages/2/

v   https://www.uhi.ac.uk/en/t4-media/one-web/university/about-uhi/facts-and-figures/publications/pdfs/UHI_Islands_Strategy_web.pdf

vi   ONS Data: https://www.nomisweb.co.uk/reports/lmp/la/1946157417/report.aspx#tabempunemp

vii   https://www.skillsdevelopmentscotland.co.uk/local-national-work/eilean-siar