

UHI North, West and Hebrides STRATEGIC RISK REGISTER

Ref ID	Link to UHI Partnership Risk	Date Reviewed	Risk Status	Risk Category	Link to UHI NWH Strategic Goals/enabling strategies
NWH/R/001		08/11/2024	Active	Financial	SG1/all enabling strategies
NWH/R/002		08/11/2024	Active	Financial	SG2/Curriculum Strategy

NWH/R/003		08/11/2024	Active	Governance	SG1-6
NWH/R/004		08/11/2024	Active	Financial	Estates and Infrastructure Strategy
NWH/R/005		08/11/2024	Active	Financial	SG3
NWH/R/006		08/11/2024	Active	Organisational	People
NWH/R/007		08/11/2024	Active	Financial	SG1-6

NWH/R/008		08/11/2024	Active	Organisational	IT Infrastructure Strategy
NWH/R/009		08/11/2024	Active	Financial	SG4
NWH/R/010		08/11/2024	Active	Financial	SG5
NWH/R/011		08/11/2024	Active	Organisational	SG6/People Strategy

Risk Description

Failure to achieve financial sustainability

Failure to secure market demand for curriculum offer

Failure to maintain legal compliance with the full range of legal and public sector obligations

There is a risk that the estate does not match the needs of our curriculum, skills and research requirements

Failure to create an environment in which research and KE can flourish

Effective employee relations through local and national channels are not secure taking account of NRPA

High impact disaster for college (e.g. flood, fire building structure under threat; new pandemic)

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.

the merged college fails to meet student expectations for an enhanced and more equitable student experience

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

failure to attract, retain or develop key personnel, impacting organizational knowledge and capabilities to deliver the merged college's ambition

Causes	Owner(s)	Inherent Likelihood	Inherent Impact
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	5	5
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	4	3

Volume and pace of compliance changes and obligations. Staff capacity to undertake.	ELT	5	2
Volume and pace of compliance changes and obligations. Staff capacity to undertake. 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	ELT	4	4
Loss of key research personnel impacting knowledge exchange capabilities. Insufficient Funding for Research: Limited resources hindering research and knowledge exchange.	ELT	4	3
Lack of engagement locally and through Employers Association	Principal, Director People and Culture	4	5
Unforeseen	ELT	4	5

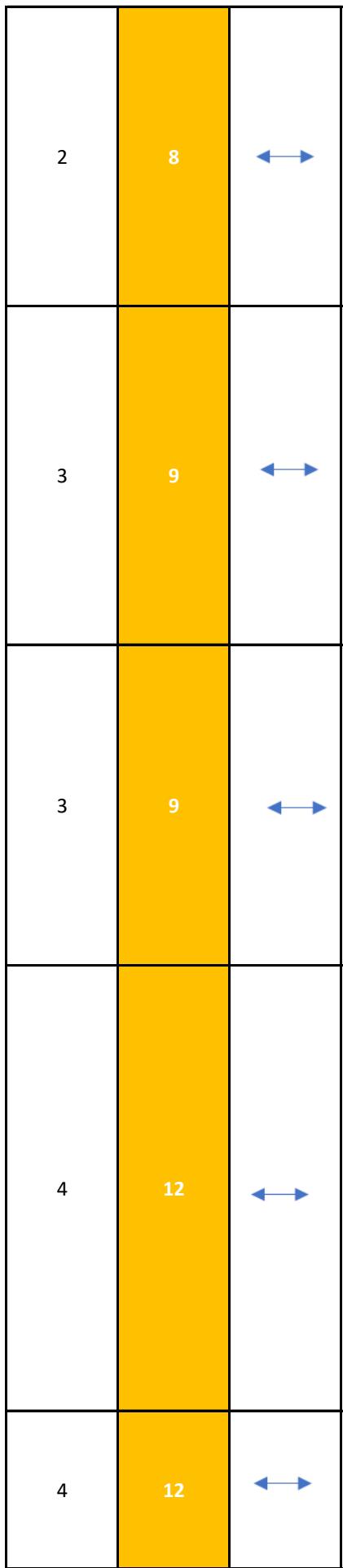
IT Security breaches internal or external	Principal, SMG	4	5
failure to connect our learners across multiple locations as a single community; failure to design enhanced learner services in the merged college; move to more online delivery fails to create a sense of local community for students; failure to deliver a physical estate and digital infrastructure meeting the needs of our students;	ELT	4	4
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	ELT	4	4
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;	ELT	3	5

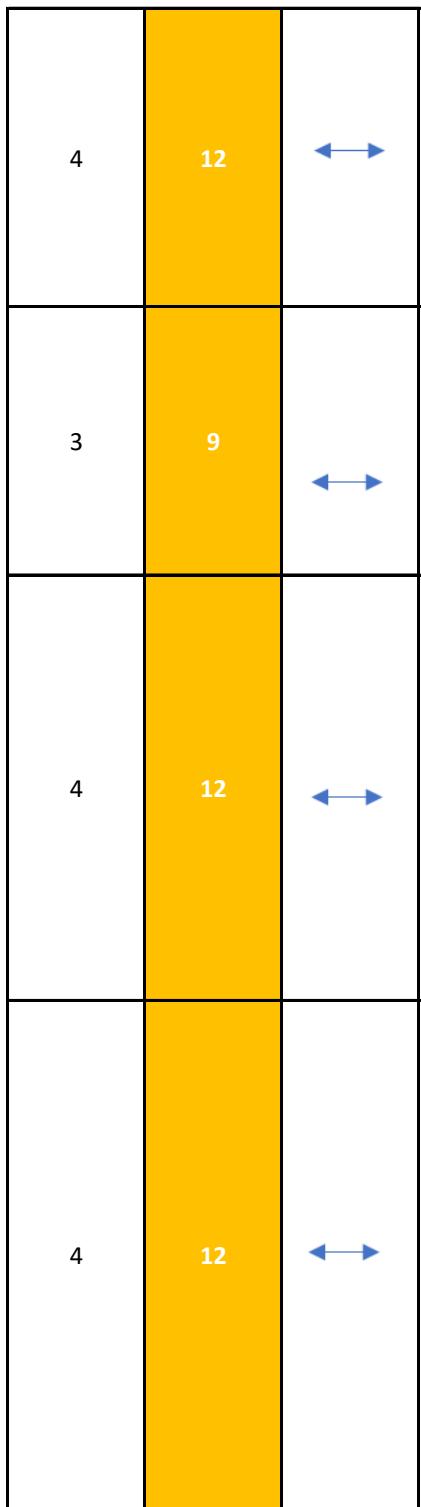
Gross Risk	Risk Appetite	Target Risk	Mitigation to minimise Risk	Residual Likelihood
25			<p>working with UHI and sector agencies to influence SG funding policy; assure sustainable funding allocation within UHI, including merger-related finance and growth plans; increase non-core income from research 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.</p>	5
12			<p>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.</p>	3

10			Compliance manager progressing this, with plans focused on managing and monitoring the full range of college-wide compliance topics from vehicle policy to data protection to DSE.	4
16			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
12			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
20			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
20			Regular review of Business Continuity Plan and testing Review estate condition survey Ensure business interruption insurance in place	3

20			<p>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.</p>	3
16			<p>ensure students are at the heart of key decision making and governance; delivery of student engagement and support strategy</p>	3
16			<p>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;</p>	3
15			<p>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</p>	3

Residual Impact	Residual Risk	Residual Risk Change
4	20	↔
3	9	↔





REVIEW OF MITIGATING ACTIONS

Review of actions to minimise risk (quarterly review), covering period between 13 August-8 November 2024

Final funding allocations received by UHI for AY24-25. **FE overall budget reduction of 4.7%**, with flat cash for learning and teaching funding and credit allocation, but reductions for student support funding (including mental health), capital maintenance funding, no FWDF, no digital poverty funding, no transformation funding; national job evaluation funds (for support staff) continue to be accrued but withheld by SFC/SG. **RDEL/CDEL treatment of capital funds** was proposed to be discontinued for 24/25, with final decision awaited from SG now by January 2025 - this would release circa 400k for the college's revenue budget, but would be required to be spent by end of March 2025. **HE overall sector reduction of 3.6%, with UHI reduction by 2.6%**; this means reduction of funded HE FTE by 141.7FTE to UHI as a whole; however, UHI HE recruitment looks to be under target again for 24-25; **UHI NWH HE recruitment** looks to be more in line with a reduced budget target from 23-24. **Research funding down by 5.2% for region** (sector increase by 4.2%). **Capital manitanance funding slightly up**, but still significantly reduced to pre-22/23 levels. Whilst there has been some growth for funded MAs for the H&I region and **the college's share of MAs has grown for 24/25**, SFC have confirmed to UHI that there is **no growth in FE for the UHI region**. Given all UHI assigned colleges are meeting or exceeding their credit target in 2023-24, there is no growth of FE credits possible for the college from within the regional allocation, impacting on the original projections of the college's merger business case. This position has been reflected in the college's Board approved FFR and detailed narrative report at the end of June 2024, and has been submitted to 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 also submitted to UHI the **requirement for additional funding in 2024-25** (Year 2 of the financial sustainability plan), with meetings held with UHI in August 2024 to confirm arrangements. Whilst agreement has been reached in principle, no formal written cover has been issued as yet. SFC have issued a letter of comfort for financial sustainability of the college for year ended July 2023. **UHI have issued two formal loan repayment agreements to the college** (for the UHI Outer Hebrides 22-23 loan as well as the college's 23-24 loan) on 11 September 2024; as neither of these loan repaymenet schedules had been discussed or consulted on, they are as yet unsigned and the college has sought further discussion on the matter with UHI, with no further discussion to date. The college has been explicit that its financial projections do not include any loan repayments at present for both UHI advances; should repayments have to be made, this will require a further significant savings programme to be created.

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. In addition, there is no certainty over the Scottish Government's cover of the **additional SPPA employer pension rate increase of 2% to over 26%**. **Inflationary pressures** on non-staff costs are continuing to reduce and stabilise. 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 Curriculum review Phase 2 completed and integrated single curriculum plan for 2024-25 approved for recruitment, and integrated into new operating structure and timetables; continued 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-distrbution, with FE targets being met or exceeded. Continuing development of shared FE delivery with UHI Argyll and UHI Shetland. 2024-25 HE recruitment broadly in line with a reduced target for HE from 23-24. 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'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 will maintain a specialist DPO function via UHI/HEFESTIS. Any breaches in compliance will be reported to the ARM Committee in a separate 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. 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. 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; to be completed by December 2024

Mitigation of risks relating to merger integration and organisational re-design are contained in separate OD risk register provided by Giles Huby. - Following the declaration of a local joint dispute, the college moved to an interim new organisational structure in August 2024 whilst seeking to address the local dispute items for resolution as a matter of urgency. Whilst some considerable progress has been made in resolving some of the dispute items, there are still a few issues unresolved which are currently being sought to address for final resolution. 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 have written to the college last week, informing of their Scottish FE branch coming under national supervision; the college is currently liaison with Unison on implications for the college, including support for the local Unison representative during the continued dispute resolution efforts.

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; 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; 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;

signed sector letter along with 140 other colleges, industry representatives and businesses to ask SG to re-instate the Flexible Workforce Development Fund; lobbying of SG continuing, despite FWDF not re-instated as yet; report on 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.

people strategy to be fully finalised in 2024-25 following resolution of local joint dispute by trade unions, moving from current interim structure. The annualised savings from 2023-24 VSS programme have been largely achieved (including VSS programme as per business case submitted in November 2023), and proposed new structure consultation and individual staff transfer consultation into the new structure has been completed bar a handful of staff; the local dispute served by local trade union representatives is delaying final implementation of the new structure, creating risks to staff wellbeing and the college meeting its operating and contractual requirements to students and UHI going forward. Interim arrangements are being put in place to secure operational continuity and compliance, whilst local dispute resolution is in progress. Further detail in OD risk register. Plans 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. Plans for paymapping post-restructuring, including equal pay and job evaluation, are currently being finalised to be rolled out as soon as the local dispute has been resolved. Consolidation into a single HR system (Cascade) is being finalised by end of November 2024. UHI have undertaken and published an Islands Impact Assessment for the Organisational Redesign of the college.

