

UHI North, West and Hebrides

Update: Anchor Institution Strategy – Progress Report

Purpose of this Report

This report is an updated version of this paper presented to FGP Committee held on 13 November 2025. The purpose of this report is to update the Board on progress in operationalising the Anchor Institution Strategy discussed at the Board meeting on 17 September 2025 [UHI NWH Board Anchor Institution Strategy_17092025 - Copy.docx](#), which the Board agreed in principle as a framework for assessing the college's rural and island centres and informing estates decisions in alignment with the financial sustainability plan.

1. Overview of Work Undertaken

Following the Board's instructions to apply the Anchor Institution framework prior to progressing Estates Strategy Delivery Plan recommendations, a structured internal work programme has commenced involving the Executive Leadership Team (ELT), Senior Management Team (SMT), and relevant managers, including Engagement and Enterprise managers.

1a. Establishing a College-wide Decision-Making Framework

A consistent evaluation process is being designed and assessed, incorporating:

- Four Anchor Tests:
 - Anchor value;
 - Subsidy justification;
 - Quality and student experience;
 - Presence without premises
- Legislative compliance checks, including
 - ICIA,
 - Equality Duty,
 - Community Empowerment/Right to Buy,
 - Place Principle,
 - Gaelic duties,
 - Public value
- Consolidation and/or further development of an integrated evidence base, including
 - Community needs,
 - curriculum alignment,
 - digital delivery,
 - financial analysis,
 - engagement findings,
 - partnership options.

1b. SMT Workshop Programme

A two-hour extended SMT workshop was held on 11 November 2025 to finalise the principles and process for applying the Anchor Institution framework. The workshop brought together ELT, SMT and key engagement and enterprise leads, and focused on confirming the core principles, identifying essential evidence requirements, and agreeing the approach to decision-making and timelines.

Summary of outcomes from the SMT workshop:

SMT confirmed the importance of assessing centres first and foremost within their educational service context, with decisions informed by curriculum relevance, learner access, and community need rather than financial performance alone. Members emphasised that the framework must be forward-looking and take account of local development plans, industry demand and emerging opportunities, particularly in remote and island communities.

There was clear agreement that while the framework should provide structure and consistency, it must remain an aid to decision-making and not substitute for professional and strategic judgement by ELT and the Board. SMT noted the need for a transparent, fair and auditable approach using a simplified and proportionate process, with appropriate weighting of key criteria. The importance of accessibility of equitable post-school learning facilities, accommodation and transport, as well as consideration of strategic partnership and shared-use options in the application of the assessment framework was reiterated.

Concerns were raised about senior staff capacity to undertake a large number of individual assessments and the need to ensure the process is achievable within current resource constraints. SMT agreed that consistent evidence would be required for each centre, including anchor value, financial analysis, ICIA/EIA, curriculum access and uptake, community and employer engagement, and digital/service alternatives. The group also highlighted the need for strong communication with rural and island centre staff and communities throughout the process. There was strong suggestion to lobby local and national politicians in the run up to the Scottish Parliamentary elections for enhanced funding support to protect the college's multi-centre operations, given it covers some of the most fragile communities and geographies in the UK.

1c. Cross-Referencing with the Financial Sustainability Plan

These outcomes are now being incorporated into the development of a simplified anchor institution assessment framework and implementation plan. ELT have agreed to find resource for an external project facilitator from within existing budget to support an internal project team to ensure the revised action plan can deliver actionable outcomes to share with the next FGP and Board in March 2026.

This will include mapping the revised framework onto the financial recovery plan to ensure realistic sequencing, clarity on where subsidy is justified, and development of redesign options aligned with compliance requirements.

Given current due diligence assessment of the college’s Financial Recovery Plan and FFR by PwC on behalf of SFC, any relevant information will be shared with UHI and PwC/SFC.

Note: It should be noted that UHI have legal responsibility as the named institution for Island Community Impact Assessments (ICIAs). Clarity has been sought but not yet provided on UHI’s responsibility to undertake and fund all ICIAs as the legally responsible entity, versus the college as an assigned college to UHI. The matter has been raised by the Principal as part of UHI’s Transformation workstream on ICIA.

2. Immediate Actions Already Commenced

Actions progressed that do not pre-empt centre assessments:

- Kilchoan: Work is underway with Men’s Shed to explore shared use.
- Benbecula: Exploration of sale with HIE, with potential to retain a physical presence in the building on a lease basis.
- Wick: Ongoing efforts to identify a buyer/tenant for the mothballed building.

For further details, please see separate report by Derek Bond and Doug Rattray on capital developments/infrastructure plan developments were shared with the recent FGP committee on 13/11/2025.

3. New Capital Developments (Reported Separately)

Updates on capital projects in Thurso, Easter Ross, Fort William and Mallaig were covered in the separate report to FGP on 13/11/2025 by Derek Bond and Doug Rattray on capital developments, and will be covered as part of the Board’s Strategy Day presentations on 27 November 2025.

4. Next Steps and Timeline

1.	Complete SMT workshop and confirm principles, process and timeline	by mid-November 2025
2.	Conduct structured centre assessments, focused on top priorities identified for financial sustainability plan	November 2025-February 2026
3.	Undertake statutory ICIA/EQIA, including relevant internal and external engagement	
4.	Map outcomes to financial sustainability plan	
5.	Present revised estates action plan and centre options to the Board via FGP	March 2026
6.	Align engagement and communication plan with proposals (immediately following FGP/board’s decision, in parallel with implementation of agreed action plan)	By end of March 2026

5. Correlation to the College's Financial Sustainability Plan Update/Mid-Year FFR Report (AY2025-26)

The above timeline should coincide also with

- the outcomes of the college's 6-month organisational structure review recommendations to be included in the review of the college's financial sustainability plan (by end of January 2026)
- availability of the college's merger evaluation report on the first two years of operations (January 2026)
- decision sought from SFC on continued cash funding to cover operating deficit in 2025-26 (expected December 2025)
- clarity sought from SFC (via UHI) on either College Transformation Funding or alternative source of transformation funding. (expected as soon as possible from SFC, with UHI request made 15 October 2025)
- the partnership-wide agreement on the direction of UHI Transformation (including associated savings and timeline to secure those savings expected by the college from UHI Transformation). (January 2026)

All the above will allow the college to update its Financial Recovery Plan and mid-year Financial Forecast Report for SFC (March 2026).

Recommendation

The Board is invited to note the progress to date and the structured approach being taken to ensure estates decisions are aligned with the Anchor Institution framework, statutory duties and financial recovery requirements.

Lydia Rohmer, 21/11/2025