

UHI North, West and Hebrides – Finance and General Purposes Committee

Update: Anchor Institution Strategy – Progress Report

Purpose of this Report

To update the FGP committee 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 is scheduled on 11 November 2025 to finalise:

- Agreed principles for estates decisions
- Agreed process for applying the framework
- Revised timeline for assessments and Board reporting
- Identification of risks, mitigations and dependencies.

Outputs will form an action plan and follow-up Board paper.

Given due diligence assessment commenced w/c 3/11/2025 by SFC (via PwC) of the college's financial **Note:** baseline and sustainability report, it is expected that the college will also share outcomes with UHI and SFC via PwC prior to the Board meeting at end of November 2025. (see update on Financial Recovery plan elsewhere on the agenda for FGP on 13/11/2025).

1C. Cross-Referencing with the Financial Sustainability Plan

Once outputs from the extended SMT workshop are secured, ELT will be 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.

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 elsewhere on the agenda for the FGP committee on 13/11/2025.

3. New Capital Developments (Reported Separately)

Capital projects in Thurso, Easter Ross, Fort William and Mallaig are covered in the separate report by Derek Bond and Doug Rattray on capital developments.

4. Next Steps and Timeline

1.	Complete SMT workshop and confirm principles, process and timeline	by 17/11/2025
2.	Conduct structured centre assessments, focused on top priorities identified for financial sustainability plan	from 17/11/2025 to mid-January 2026
3.	Map outcomes to financial sustainability plan	from 17/11/2025-end January 2026
4.	Undertake statutory ICIA/EQIA	from 17/11/2025-end January 2026
5.	Present revised estates action plan and centre options to the Board via FGP (this may require additional meetings of FGP/Board decision prior to late March Board meeting)	by mid- February 2026
6.	Align engagement and communication plan with proposals (immediately following FGP/board’s decision, in parallel with implementation of agreed action plan)	By mid-February 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)
- clarity from SFC on continued cash funding to cover operating deficit in 2025-26 (December 2025)
- clarity on either College Transformation Funding or alternative source of transformation funding. (December 2025)
- the partnership-wide agreement on the direction of UHI Transformation (including associated 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 Finance and General Purposes Committee 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, 8/11/2025