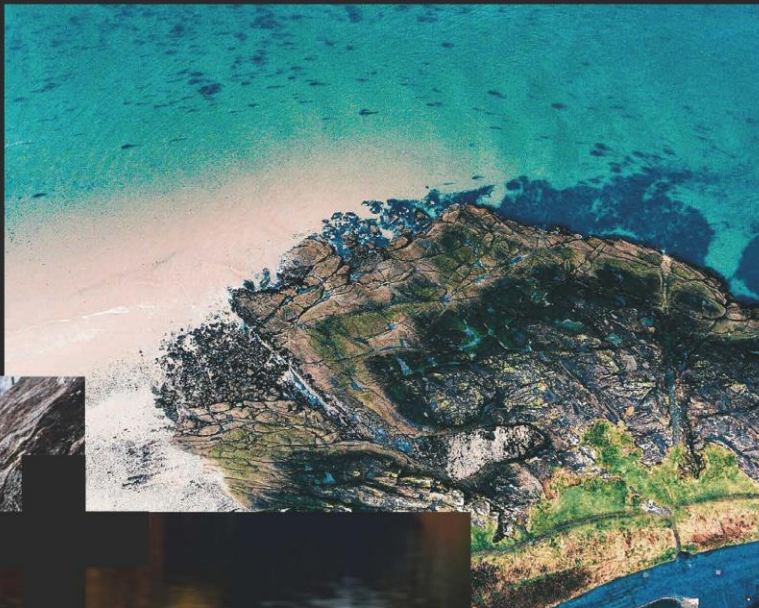


UHI | NORTH HIGHLAND
GÀIDHEALTACHD A TUATH

UHI | OUTER HEBRIDES
INNSE GALL

UHI | WEST HIGHLAND
GÀIDHEALTACHD AN IAR



Merger proposal and business case

A proposal for the merger of **UHI North Highland**, **UHI Outer Hebrides** and **UHI West Highland** to create a new, regional college.

Executive Summary

The governing bodies of UHI Outer Hebrides, UHI North Highland and UHI West Highland are pursuing merger, an exciting **strategic partnership** which will create an **anchor institution** of scale and impact within UHI, supporting 9000 students and 600 staff across 19 remote, rural and island campus locations in the Highlands, Skye, and Outer Hebrides.

The case for merger is clear. All three colleges face similar challenges in the remote, rural and island contexts, including real-term funding cuts and a declining demographic. We also all have similar opportunities for growth, which by coming together we would have a better ability to realise. We want to thrive, not just survive. By coming together, we will create a more resilient, cohesive, and financially sustainable organisation with capacity to grow, seize opportunities based on our collective ambitions, and support our communities.



Figure 0.1:
What merger means for our colleges

Merger will allow us to:

- Combine our collective talent, expertise, and resources to create a stronger, more resilient and efficient staffing structure, which expands opportunities for professional development and protects local jobs.
- Become more financially resilient, with a robust strategy which is better placed to respond to the immediate and future changes and challenges in our financial environment and protect routes to learning in our region.
- Develop and rationalise our tertiary curriculum to provide a wider learning offer for our students, aligned with the priorities of the Scottish Funding Council [Review of Tertiary Education and Research](#) and the future skills needs of our region's economy.
- Grow research and innovation collaboratively, with key stakeholders to create greater impact across our region.
- Focus our collective strength on pursuing key commercial and business development opportunities, particularly in the blue and green economies to support non-regulated income generation.
- Enhance the student experience by providing a consistent, high-quality experience across all our learning and teaching and support which is tailored to our diverse student body, including improved access to technology, facilities, and social opportunities.
- Create efficiencies in staffing, processes, systems and boards that free up finances to reinvest directly into our college and people to ensure the aspirations within this case are effectively and collectively pursued.

Key Themes and Opportunities

The following **key themes and opportunities** underpin our case for merger and will be referenced throughout this merger proposal and business case.

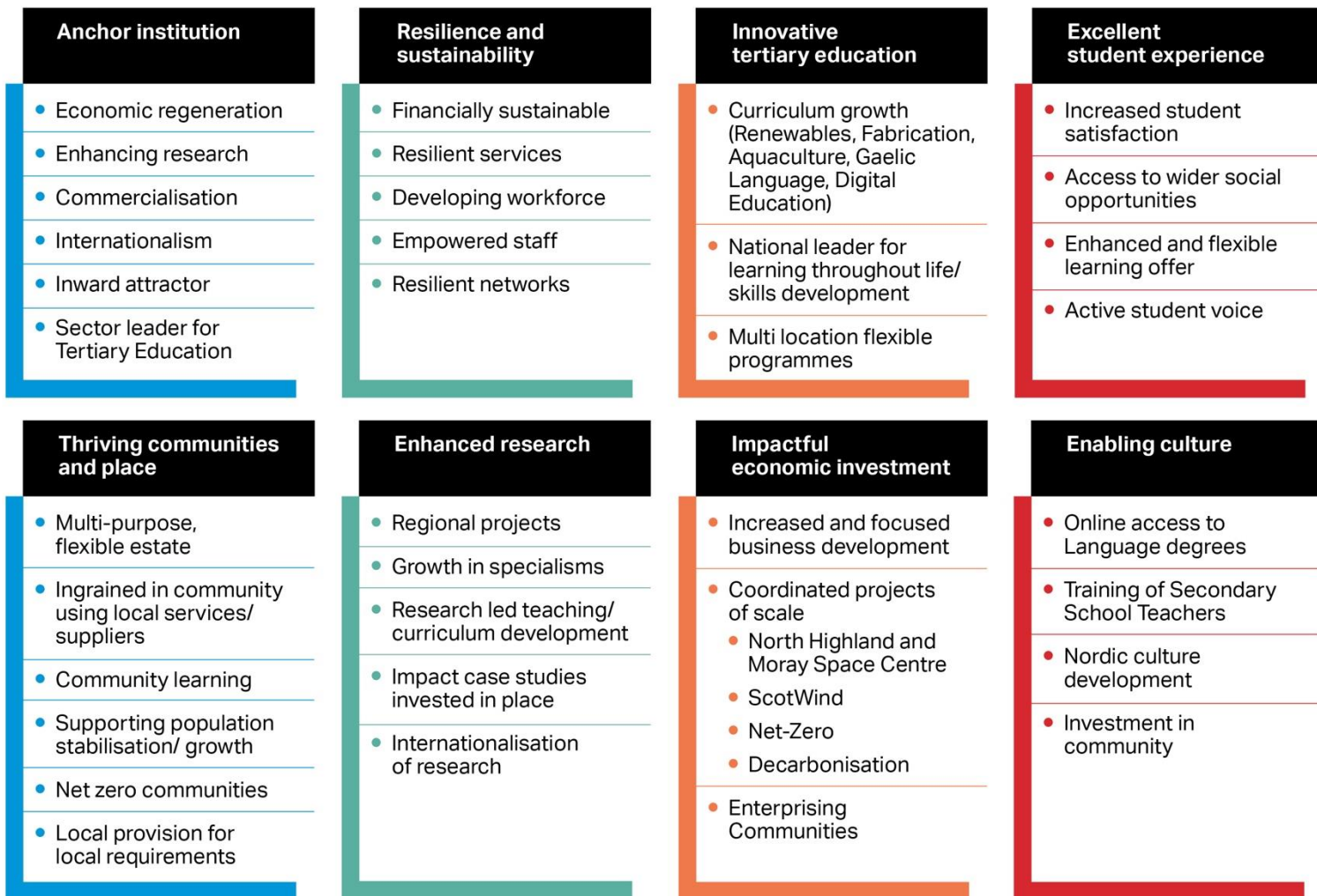
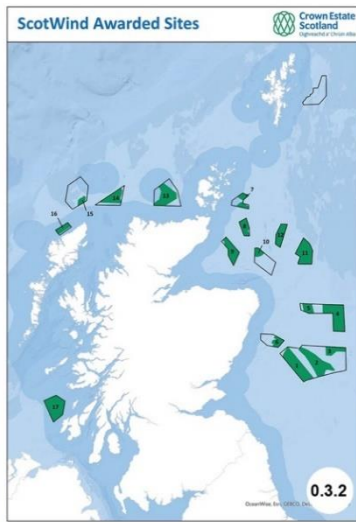


Figure 0.2:
Business case themes

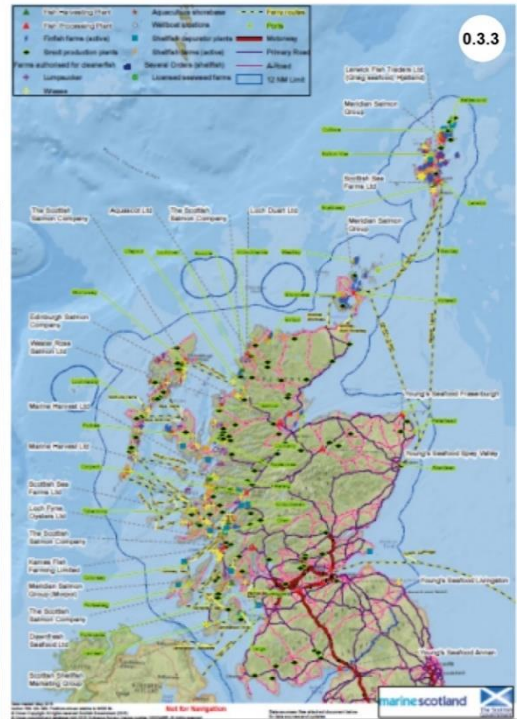
As a region we have access to the **natural resources** and infrastructure to support the growth of our **blue and green economies**. Our 19 sites cover an area interconnected in terms of key areas of **economic recovery** including **net zero decarbonisation, renewable energy, engineering, manufacturing, aquaculture, and the space industry**. This presents significant opportunities in terms of curriculum and commercial development, which each college would struggle to realise individually. By coming together, we stop competing and repeating internally and pool the resources, talent and expertise we already have to unlock the growth potential these opportunities present. The images below highlight some of our opportunities linked to our natural environment.



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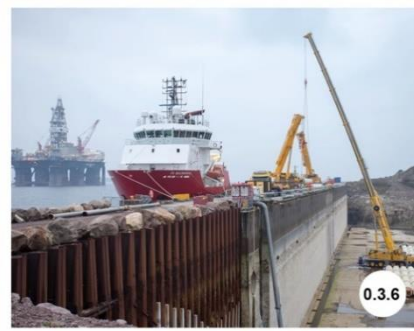
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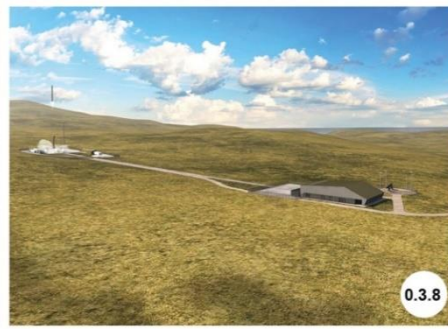
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Figure 0.3.1: Key Ports for Offshore Wind of Regional Importance- Kishorn, Nigg, Scrabster, Arnish and Cromarty Firth. Source: ports-for-offshore-wind-a-review-of-the-net-zero-opportunity-for-ports-in-scotland(crownstatescotland.com)
Figure 0.3.2: ScotWind Awarded Sites. Source: scotwind-map-of-option-areas-170122 (crownstatescotland.com)
Figure 0.3.3: Aquaculture Infrastructure Map. Source: Aquaculture infrastructure map.pdf (marine.gov.scot)
Figure 0.3.4: overview of OCF scope and Powerhouse at North Highland's Tern House site. Source: Port of Cromarty Firth & OCF ([Opportunity Cromarty Firth | Free Trade Zone | Offshore Renewable energy](#))
Figure 0.3.5: Pioneering low carbon communities. Source: HIE Pioneering Low carbon communities LHIE ([Pioneering low carbon communities | HIE](#))
Figure 0.3.6: Kishorn Port and Dry Dock. Source: Kishorn Port Overview - Kishorn Port ([Overview - Kishorn Port](#))
Figure 0.3.7: Coire Glas Project. Source: Coire Glas Coire Glas ([Coire Glas](#))
Figure 0.3.8: Space Hub Sutherland. Source: HIE ([Space Hub Sutherland | Highlands and Islands Enterprise | HIE](#))
Figure 0.3.9: Nigg Energy Park. Source: Opportunity Cromarty Firth ([Nigg - Opportunity Cromarty Firth Welcomes Publication of Scottish Green Freports Prospectus](#))

Our Risks and Challenges: Impact on individual colleges vs mitigation as a merged organisation

Risk/Issue	Impact on Individual Colleges/ Their Region	Mitigation as Merged College
<p>Financial landscape: continued pressures on public funding, flat-line budgets, further inflationary rises in costs and state of the wider global economy lead to reduced real-term budgets across the three colleges, two of which (UHI North Highland and UHI Outer Hebrides) are currently operating with a deficit.</p>	<ul style="list-style-type: none"> • Individual colleges embark on isolated, unfunded cost saving initiatives, leading to reduction in services provided to the region and staff • Reductions in capacity leave little/no headroom for activities that would increase income, opening the door for other universities and training providers to up-skill the region • Increased pressure on staff to do more with less leads to decreased staff wellbeing, decreased job satisfaction and loss of staff 	<ul style="list-style-type: none"> • Merging will allow identification of collective cost savings through rationalisation and efficient use of systems, processes, and a reduced number of executive and Board roles • Teams will have increased capacity with activities undertaken once instead of three times, enabling a joined-up approach, increasing resilience • Through restructuring a larger staff base, individual roles can be dedicated, rationalised and focused instead of individuals taking on multiple 'part' roles
<p>Declining youth population: continued migration of under 25s out of the region</p>	<ul style="list-style-type: none"> • Inability to meet credit targets at further and higher education • Reduced income • Reduced curriculum offerings and reduction in staffing 	<ul style="list-style-type: none"> • Pooled talent and resources provide an opportunity to deliver a combined learning offer across all three colleges, diversify (and rationalise) the curriculum, and build in key areas including lifelong learning. This will create a more resilient offer, with potential to reach wider audiences than the colleges currently attract as individual organisations. • Ability to coordinate curriculum across the region effectively, removing duplication and unviable numbers. Releasing staff time to focus on curriculum development in new areas • To become an education provider of choice for the whole region by becoming an anchor institution of scale and impact within UHI • To grow and develop a clear and joined up, marketing offer, which is closely aligned to the skill needs of our region, our blue and green economies, and a diverse and strong research-led curriculum that benefits our communities
<p>Lack of growth: in student numbers,</p>	<ul style="list-style-type: none"> • Fewer students to target and competition between partners 	<ul style="list-style-type: none"> • Development of multi-modal tertiary curriculum that is diverse,

<p>curriculum provision, skills development, research, areas of excellence, estate/infrastructure, and internationalisation</p>	<ul style="list-style-type: none"> • Inability to achieve economies of scale as spread so thinly • Lack of resource to ensure skills programmes are proactively developed for key areas of local growth (i.e., renewable energy) • Limited number of staff involved in research or with the capacity to become involved in research • Lack of ability to invest in estate and infrastructure which responds to local opportunities • Inability to internationalise our specialisms • Reduced Income 	<p>flexible and joined up across the region providing attractive multi-location, research-led teaching and digital opportunities to all applicants</p> <ul style="list-style-type: none"> • Larger Business Development team that can coordinate skills development, tailored (and targeted) to regional stakeholders without repetition • Enhanced research network where specialisms are coordinated across the region and expanded, rather than restricted to one or two locations • Growth of knowledge exchange and innovation through joined-up research excellence • Growth of targeted international activity into key markets where demand for our specialisms is high (i.e., Adventure Tourism, Sustainable Land Management)
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Thriving with Impact

Our communities, staff, students and stakeholders are at the centre of our ambitions to grow at all levels. As a merged organisation we will have key aims which will address our individual and shared challenges and risks, and deliver real benefit and impact. We will measure these through financial analysis, surveys and national and internal key performance indicators (KPIs), using our individual performances in 2022/23 as a baseline.

Key Aim	Benefit(s)	Measure
To become a financially sustainable joined up organisation	<ul style="list-style-type: none"> • Longevity of our colleges and maintenance of access to diverse tertiary education across the whole region • Equality of opportunity and experience for learners across our region who can access comparable services 	<ul style="list-style-type: none"> • Financial Accounts – achieving surplus • Ability to invest in new areas • Ability to fund multi-year capital investment projects
To grow curriculum, particularly into key areas that link with our research and commercial opportunities such as the renewable sector, fabrication, aquaculture, Gaelic language and engineering	<ul style="list-style-type: none"> • Increased learning offer • Widened access across college locations and through state-of-the-art digital learning opportunities • An up-to-date and relevant curriculum for the region, its communities and key stakeholders • Being a credible choice for local and international students to study through the delivery of high quality and innovative, multi-location programmes delivered out of excellent and sustainable estate. • Increased alignment to Scottish Government priorities and needs of our region’s economy. 	<ul style="list-style-type: none"> • Higher further education numbers • Higher undergraduate numbers • Higher postgraduate numbers • Higher numbers of apprenticeships • More skills development courses, short courses and continuing professional development opportunities • Increased international students • Increased unregulated income and funding focused on skills development and skills alignment
To grow research and knowledge exchange through connecting our current specialisms and developing them alongside our region’s potential <i>(Research across the partners is supported via framework agreements with UHI who provides business development, infrastructure and development, as well as opportunities for new growth and nurturing areas of excellence)</i>	<ul style="list-style-type: none"> • Increased research income through increased successful joint funding bids • Enhanced research profile which will attract more students in key subjects • Upskilling of local communities • Upskilling of staff • Growth of knowledge exchange 	<ul style="list-style-type: none"> • Increased number of full-time equivalents submitted to REF2027 • Increased postgraduate research student numbers • Increased number of staff involved in postgraduate research supervision • Increased number of publications in peer reviewed journals • Increased funded knowledge transfer projects secured • Increased number of Innovation Vouchers secured • Increased number of applied research funding applications that are net zero

		<ul style="list-style-type: none"> • Heightened impact of research outputs • Increased number of applied research funding projects • Increased number of professionally recognised Fellows, Senior Fellows, and Principal Fellows of the Higher Education Academy
<p>Cohesive and responsive business development teams that can respond effectively and purposefully to opportunities of scale</p>	<ul style="list-style-type: none"> • Coordinated networks across the region that are responsive to opportunities when presented • Multi-region teams who cross collaborate to provide training solutions and knowledge exchange in multiple locations across the region • Single point of contact for key industry stakeholders engaged in the blue and green economy • Resource to identify opportunities and respond proactively 	<ul style="list-style-type: none"> • Increased non-regulated income • Improved reputation • Increased stakeholder satisfaction • Increased offering in industry specific skills courses • Improved engagement with employees and employers when developing curriculum
<p>To enhance the student experience through connecting our sites, resources, communities, and multi-location programmes</p>	<ul style="list-style-type: none"> • Increased student retention • High student satisfaction • Inward migration • More viable programmes • Enhanced student culture 	<ul style="list-style-type: none"> • Increased student survey results • Increased completion rates • Increased progression rates • Increased student numbers • College and university leaver destination rates • External quality reports and endorsements • Increased numbers of underrepresented learners
<p>Resilient team structures and depth of resource to address changing priorities, opportunities, and economic difficulties.</p>	<ul style="list-style-type: none"> • Efficiency in services through specialist teams • Efficient and consistent processes for students from enquiry to application to graduation • Efficiency and resilience through combined resource, reduced dependencies on stretched one-person teams • Joint delivery of curriculum by diverse teaching staff • Capacity within curriculum teams to focus on the development of new programmes and new and innovative ways of delivering learning • Service improvements 	<ul style="list-style-type: none"> • Increased curriculum offerings • Improved staff wellbeing • Increased staff progression • Increased student satisfaction • Increased numbers of staff undertaking continuing professional development programmes

Curriculum

By coming together, we increase staff capacity to deliver and review our curriculum through securing efficiencies in replicated programmes and adopting best practice across our provision. This will enable us to refine and enhance our learning offer at all levels, supported by digital technology to widen access to, and improve the viability of all our courses. Our curriculum will grow in areas key to our local, regional, and national economic recovery and in line with opportunities that align across our region, including renewable energy, engineering and manufacturing, and aquaculture. We will be leaders in programmes that are delivered from multiple locations, networked across our campuses, learning centres and beyond, providing more opportunities for students to learn across our region in subjects including adventure tourism, land management, art, creative industries, and engineering. As a merged college we will provide a more robust, sustainable learning offer, and enhance opportunities to attract new audiences, including international students, through our unique market offer.

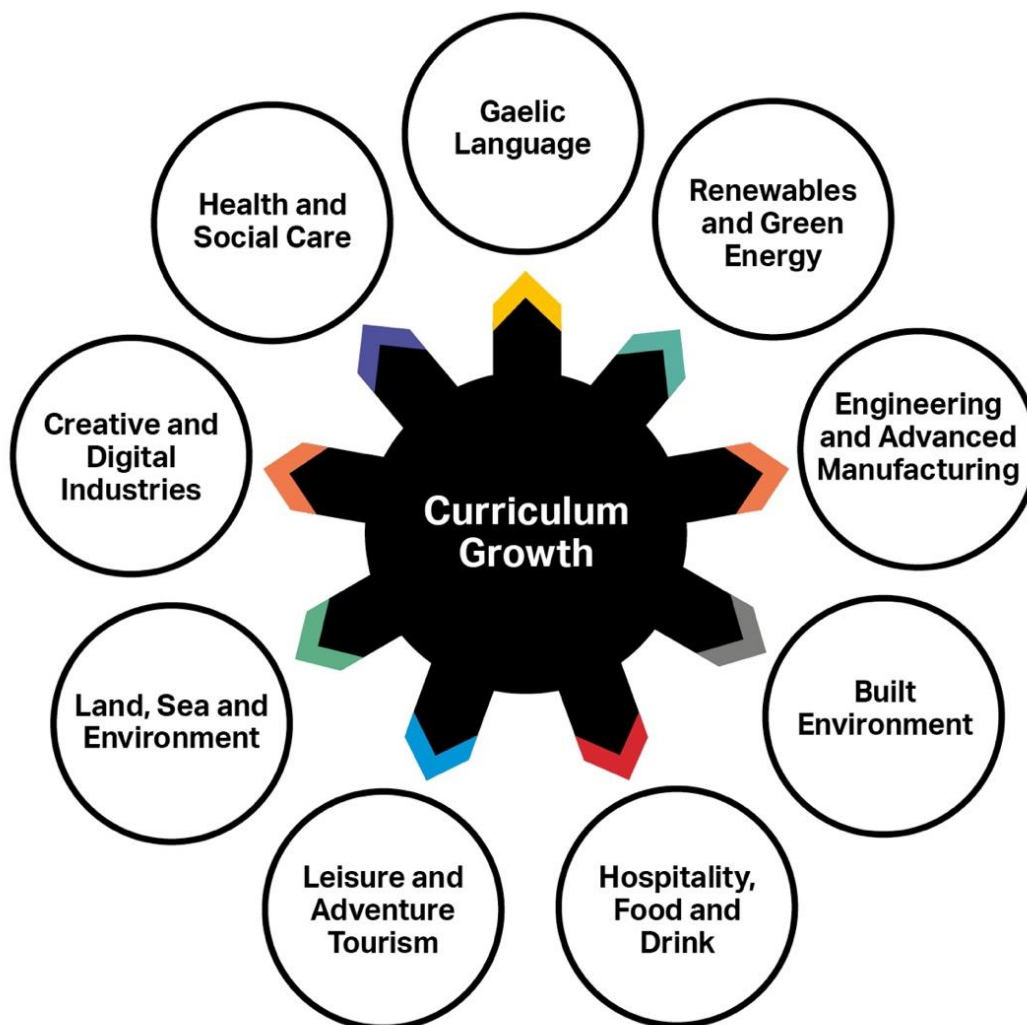


Figure 0.4:
Curriculum growth areas

Key merger deliverables: New renewable energy curriculum (wind energy, green hydrogen, advanced manufacturing), Gaelic language teacher training, multi-location courses, digitisation of key areas, income generating skills courses, development of new delivery models

Research Growth

Research will underpin all our activity as a merged college, including our teaching practice, estates development, commercialisation, and our relationships with key stakeholders. Our research activity makes us unique within the college sector and we will grow our research and our research active staff capacity across all our areas of expertise, but especially in environmental research, digital education and tourism. This in turn will align with our curriculum growth as we expand into key areas within the blue and green economies.

Key merger deliverables: Regional research network, increased number of staff involved in research, increased PGR opportunities, research-led curriculum, increased knowledge exchange, focus and expansion on research that supports net zero objectives (i.e., carbon sequestration)

Business Development and Commercialisation

The opportunities for skills development and training opportunities across our region are vast and we will revitalise communities by developing talent pools within the blue and green economies. We will be joined up in our approach to developing and securing opportunities within these areas, providing one point of contact for our region, which is aligned with UHI. We will offer multi-location skills training across the region, suited to the needs of communities and employers, maintaining a local provision which is consistent in its approach and service, tailored to our customers' requirements.

Key merger deliverables: Increased bespoke income generating commercial training programmes, increased numbers of Modern Apprenticeships, enhanced knowledge exchange

People and Culture

At the heart of the merged college is the opportunity to support our staff and communities to thrive. By bringing together functions and teams, we will better enable specialisation, role focus and resilient teams. Staff will have the opportunity to develop and grow within those roles and learn new skills. Teams will be empowered to take wider ownership of cross-region activities while defining their future structures, roles and processes.

We will be a truly distributed college with commitment to ensuring equality of resources across the three partner areas for staff, students and our communities. Alongside this we will commit to ensuring all posts remain spread across our region without drift to one location or out of the region.

Key merger deliverables: Staff development hub, rationalisation of roles, increased opportunity for promotion/development, regional spread of key roles



Communities

We will continue to invest in our communities, and as a merged college we will strengthen them by opening new links, delivering cross regional curriculum, and ensuring equality of access for the diverse range of students within our region. We will support local businesses, social and community enterprises by ensuring a structure is in place to meet the training and development needs of our region and its communities as they flex and adapt to wider economic pressures.

Key merger deliverables: Equity of access to education, inward migration, community hubs, investment in local businesses

Student Experience

Our students will get a consistent, high-quality service across our 19 locations. Students will have access to appropriately equipped and facilitated learning centres, suitable for individual and collective study. They will have the opportunity to study at multiple locations, with the flexibility of learning remotely and access to wider learning opportunities which deliver on the knowledge and skills they need. They will also have access to a much larger, student network, and the potential for enhanced social opportunities across our communities.

Key merger deliverables: enhanced student experience, enhanced community connections, relevant and useable study space, increased student accommodation

Estates

We will review and audit our estate in preparation for the SFC Infrastructure Investment Plan and seek opportunities to use current centres as income generating business hubs. As an immediate action, we will identify public and private opportunities for funding to support and action the requirements to meet zero initiatives. In 2023/24, the merged college will seek to progress several 'shovel ready' projects including the development of a STEM Centre in Fort William, upgrading of the Thurso campus and new learning facility at Mallaig for which capital investment will be sought. Across the region we will look for opportunities to improve and

increase students' access to accommodation through collaboration with local businesses, landlords and councils.

Key merger deliverables: Net zero estate, access for students to estate across the region, STEM Centre, Thurso Redevelopment, Mallaig Learning Centre, income generating community business hubs

<p>Year 0 2022/23</p>	<ul style="list-style-type: none"> • Implementation planning / remain separate entities • Extend delivery of existing networked further education courses and develop new courses • Alignment of student support teams (e.g., Registry, Quality, Admissions, Student Support) • Develop Research Network • Join up Business Development Teams • Joint HR Management • Alignment of HISA
<p>Year 1 2023/24</p>	<ul style="list-style-type: none"> • Become one entity / implement organisational culture programme • Start reviewing organisational structures • Implement voluntary severance scheme • Curriculum planning/ development • Shared system implementation (i.e. Student Support, Finance, HR) • Stabilisation
<p>Year 2 2024/25</p>	<ul style="list-style-type: none"> • Consolidation and building on merger • Initial growth in student numbers • Launch of new curriculum offerings • Initial growth in business development opportunities • Upgrading of estate to net zero
<p>Year 3+ 2025/26</p>	<ul style="list-style-type: none"> • Transformation of services • Estate development projects • Further growth in student numbers / business development • Increased research outputs / income generation • Generate surpluses for reinvestment

Figure 0.5:
Year 0 to 5 proposed timeline

Governance

We will ensure our college is governed to the highest standards. To facilitate merger, a Transition Board will be established alongside Local Advisory Committees which will ensure local remains at the heart of all we do. The Transition Board will transition into the Merged College Board of Management on vesting date.

Vision, Mission and Strategic Framework

Vision	To be an anchor institution for the region - a connected, flexible, and sustainable learning organisation, opening doors to a world of opportunity					
Mission	We will 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					
Branding	Successful students		Thriving communities		Sustainable organisations	
Values	Trust We take pride in what we do. We are highly trusted by our students, our staff, and our partners. Recognised for our leadership and dedication to deliver more for all whom we serve.		Integrity We take responsibility for all that we do, assuring transparency and accountability. We ensure people are at the heart of everything we do and that our organisation operates in collaboration and openness, with an ethos of dignity and respect for everyone.		Excellence We are ambitious for our learners, our staff, our college, and our communities. We drive innovation, aim to be sector leaders, and benchmark our performance on national and international standards.	
Behaviours	Be bold We are confident in our ability to transform tertiary education for our region, connecting individuals and communities to learning and education.		Be agile We encourage new ways of thinking, supporting our people to explore new ways of thinking and doing things, responding and adapting quickly through research and innovation.		Be collaborative People working together are at the heart of everything we do. We value our ability to collaborate through a diverse workforce, where every voice matters.	
Key strategies and plans	Learning & teaching strategy To include curriculum plan, Learning, teaching and digital skills strategy.	Student experience & engagement strategy To include student engagement plan, student experience plan, HISA engagement plan.	Research strategy To include research strategy and knowledge exchange plan.		Gaelic language strategy	Business development & growth To include business development, stakeholder engagement plan and internationalisation plan.
Underpinning strategies and plans	Estates & ICT strategy To include estates plan, digital plan, sustainability plan.		People, organisation & culture Strategy To include equality and diversity plan, human resources and organisational development plan, communities plan, culture development programme.		Finance strategy	

Figure 0.6:
Merged College Strategic Framework

Investment

By coming together, becoming more efficient and focused on our strategy for our region, we will make savings for reinvestment in growth and better identify opportunities for generating non-regulated income. Our key areas for investment include:

- **Curriculum** – to ensure we can grow and develop our curriculum, particularly in the renewable, Gaelic language and engineering fields to meet employer and skills development demands.
- **Students** – to ensure students have the best possible experience by working alongside them to understand their diverse learning styles and implement the support structures and resources they need.
- **Staff** – to ensure they have access to the best possible training and development opportunities and have the resources needed to work regionally and enhance their roles and experience.
- **Estate** – to ensure our 19 centres are sustainable, flexible, modern and embedded in our rural communities. Specifically:
 - Upgrading of estate to net zero standards wherever possible
 - Upgrading of estate to suit the changing needs of students and provide collaborative and single study space, student social spaces and accommodation
 - A new STEM Centre in Fort William
 - Upgrades to the main campus in Thurso

A College for the Future

Our individual colleges are small and to reduce the risks associated with the status quo, achieve our ambitions for our region, and to grow as organisations, we must merge and bring together our talent, expertise, and resources in a strategic and structured way, which allows us to thrive for our region.

Merger presents us with an opportunity to take control of our own futures and become an innovative and progressive organisation that works in partnership with our communities to help them achieve their full potential.

As three individual organisations, we lack the capacity to fully realise the strategic opportunities within our region. By coming together, we ensure we protect all we have achieved as individual organisations to date and equip and position ourselves by creating a platform upon which we can grow and move forward in a coordinated way for the region. This platform will be built on a basis of mutual understanding, collaboration and clear strategic vision, ensuring we are all empowered and supported to proactively facilitate development and growth for, and in the interests of, our north, west and island region.

As a merged college, we can also truly fulfil our role as a tertiary education provider, which has transformational impact on the prospects of its region, economy, people and communities, in line with the recommendations of the [Coherent Provision and Sustainability: a Review of Tertiary Education and Research](#) and aligned to the [University of the Highlands and Islands: Strategic Plan 2021-2025](#).

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1.0 Context for the Merger

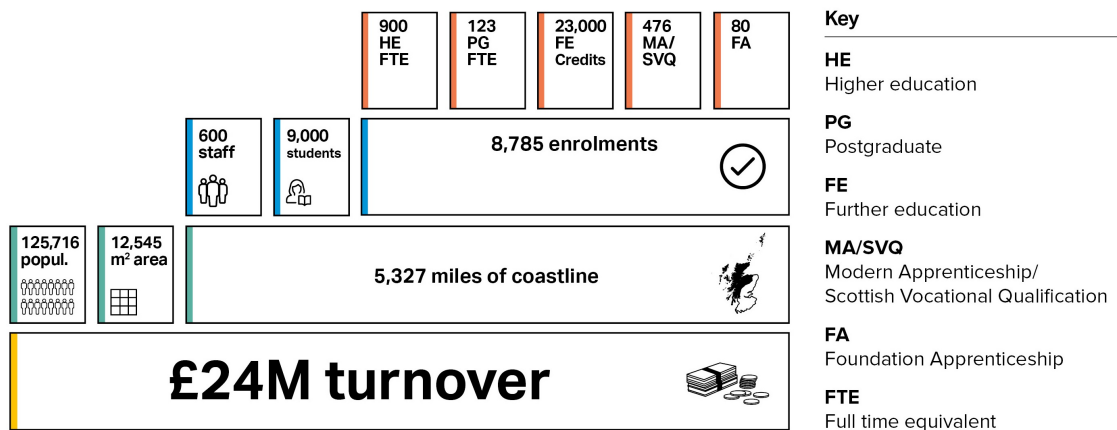


Figure 1.0:
What a merged college would represent

This proposal and its appendices set out an exciting, bold and ambitious vision curated by the governing bodies of UHI North Highland, UHI West Highland and UHI Outer Hebrides to create a merged college with effect from 1st August 2023.

This merger will create a regional college of scale that will thrive across the north-west Highlands and Outer Hebrides. With 9,000 students and 600 staff, the merged college will be a collaborative, inclusive and strategic partnership which builds on the excellence, expertise and aspirations of the three current colleges. The merged college will provide cutting edge and sustainable tertiary education, skills training, research and innovation for the communities of Lochaber, Lochalsh, Sutherland, Caithness & Easter Ross, Skye, the Inner Hebrides and the Outer Hebrides. Forming an anchor institution for the region it will harness the strategic capacity of a single organisation to be an expert voice within UHI, nationally and internationally.

Emerging from the fallout of COVID-19 and challenging financial landscapes, the proposal to create a new regional college comes against the backdrop of several reforms within tertiary education (see section 5.2) with the clear need to ensure tertiary education is central in supporting economic regeneration, workforce reskilling, the changing needs of employers and the career aspirations of learners throughout their lives.

By coming together, the merged college will:

- Bring **improved equality of opportunity** to our people living in the most fragile rural and island communities in Scotland and the UK.
- Act as a **catalyst for change, working with existing and new partners to provide a more coherent and integrated curriculum, driving economic recovery** through upskilling, reskilling, and applied research, innovation and enterprise.
- Uncover new opportunities of the **natural, social, human, and economic capital in our unique areas** via strategic **development and investment** through ambitious **collaborations** and projects we are unable to achieve as individuals.

- Become a **financially sustainable, cohesive and resilient organisation** that **thrives** rather than survives, tackling the continuing economic challenges and sector wide flat funding together.

The three merging colleges are supportive of creating a merged college of scale for the region. Our boards are invested in developing an aspiring, innovative and resilient regional institution which tailors and refines its curriculum offering and delivery to the region's requirements to better serve its communities, be more responsive to the needs of students and local economies and develop cross region expertise to deliver further education, higher education, and research aspirations. These aspirations include supporting the region's response to the climate emergency, making a significant contribution to a green recovery and our blue economies, and supporting the language, culture and heritage of our Highlands and Islands communities.

To ensure a successful merger and benefits are understood, the partner colleges are working alongside Scottish Government, Scottish Funding Council and UHI to ensure the merger meets recommendations from the recent [Scottish Funding Council Review of Coherent Provision and Sustainability](#) and links to key initiatives across the region such as upskilling of local and rural communities through lifelong learning, digital transformation and proactively responding to the climate emergency.

1.1 The Case for Change: Shared and Individual Challenges

To manage increasing costs, reduced funding, address the deficit budget position of two of the partners and potential future financial challenges of the third; establishing an efficient merged college is paramount and will reduce duplication of tasks, maximise curriculum reach and support teams to share best practice.

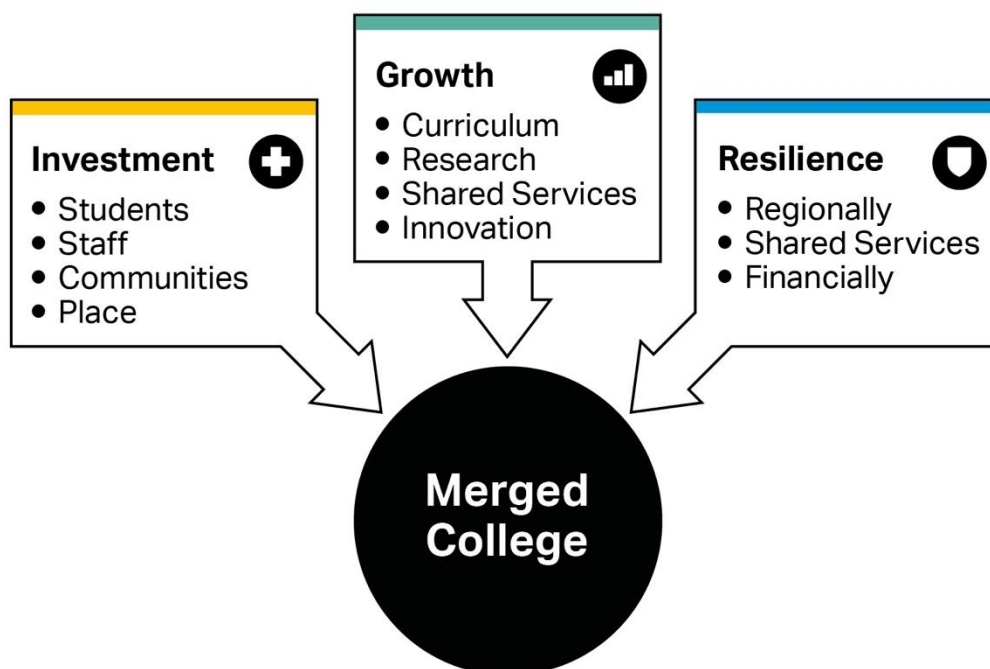


Figure 1.1:
The case for change

Independently the partner colleges are small, and staff spread thinly across multiple roles. Yet each partner has ambition for growth coupled with wide-ranging potential and scope within their regional areas that they are struggling to realise. While there is intent to come together and partner on key regional initiatives, attempts to do this have been complicated and unable to be sustained. Formally becoming one college will empower our combined resource and expertise alongside cross regional strength to enable structured coordination, more resilient curriculum and wider service solutions. This will in turn make us a partner of choice for key areas of growth across the region which has significant opportunity in multiple areas including skilling the workforce of the future (see figures 1.1 and 1.2).

The economic landscape is changing, costs are escalating at pace, and the changing population profile of the region continues as young people migrate from the area. As we strive to identify efficiencies and the development of new roles to support growth through streamlining our activities for re-investment, we must be aware that the funding landscape will continue to change, spending within the education sector will remain flat (or decreasing in real terms) and the partner colleges will become more reliant on income generation from non-Scottish Funding Council sources.

Currently the three partner colleges have several areas of curriculum which overlap or are duplicated. In some of these areas, student numbers at each individual college are low and there is competition between the colleges to attract students and ensure further and higher education credit targets are met. Curriculum mapping on a regional basis will maximise opportunities for students while ensuring that the curriculum portfolio for the merged college makes impact both economically and for the career aspirations of those within the local communities. It should be noted that attempts have been made in the past to network further education curriculum and while this has happened on a limited basis it is difficult to sustain between colleges that are not formally merged.

Alongside funding challenges is the urgent need to invest in our estate and use it smartly across the region. To ensure an innovative, modern, and sustainable net zero learning environment, investment is needed in buildings to repurpose space for changes in teaching delivery and the way that students use study space. Alongside this our region has significant challenges regarding accommodation, infrastructure, and transport links. There is virtually no student accommodation which limits growth and staff find it difficult to find affordable accommodation. Public transport between sites is limited or non-existent and facilities for communities of students is severely limited. This means many aspects of our student experience are different to a more traditional campus-based experience. Coming together will allow us to carefully plan to ensure we cohesively link our students to and across our communities to both benefit our student experiences as well as all the local communities we are part of.

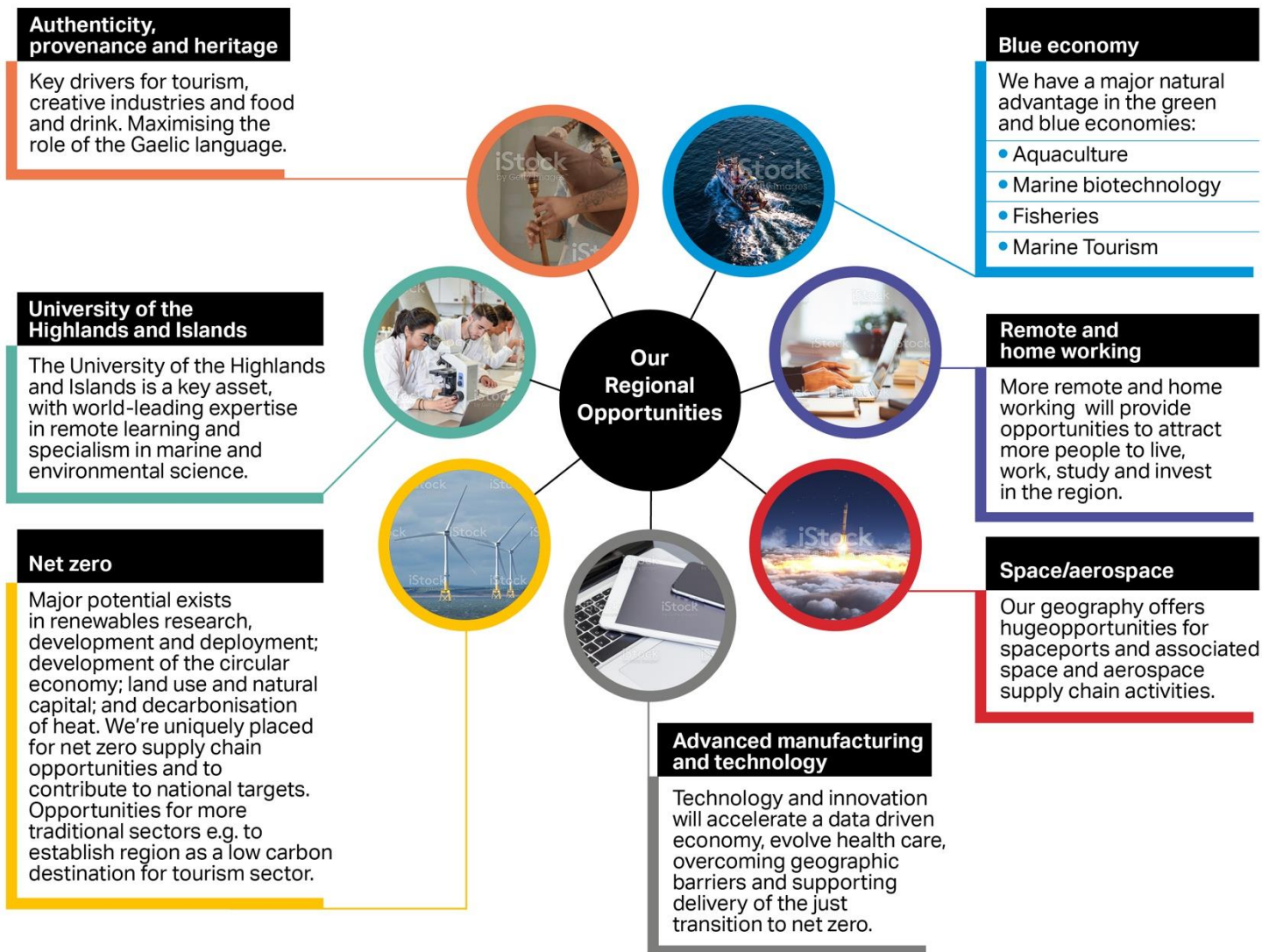


Figure 1.2:

Key Regional Opportunities (Source: HIE)

*Just transition is a concept used to draw attention to how costs and benefits generated by the move to net zero are shared, and how this may be done fairly

Green hydrogen	Offshore wind	Space
<p>Initial creation of 600 direct, green, fair, high value FTEs in region Based on a small number of Scotwind projects going straight to hydrogen production, with significant wider opportunities for Scotland from balance of plant and export potential. Multipliers may be more akin to petrochemicals and potential for Scotland to export cost-effective green hydrogen to satisfy European energy transition demand.</p>	<p>Conservative analysis - creation of 2,400 direct FTEs to 2035 Long-term, sustainable operational offshore wind roles in the H&Is based on securing c.60% of Scotwind's 10GW capacity in the waters off the region. In addition, major construction employment impacts. Multipliers on manufacturing roles may be substantially higher than the norm depending on the source of input materials.</p>	<p>Creation of 450 jobs* across the region - through Space Hub Sutherland (250) and Saxavord Spaceport (200). Multiplier effects across the supply chain through the existing strengths Scotland has in satellite manufacture and data analysis across Scotland. Estimated £4bn GVA per annum within the next decade. *This does not include aerospace which will create hundreds of new jobs in Moray.</p>
<p>Unique opportunity for the Highlands and Islands Ideal geography. High offshore wind resource, constrained route to market (expensive electricity grid) and existing enabling infrastructure (O&G terminals) will drive early investment in green hydrogen production at scale.</p>	<p>Unique opportunity for the Highlands and Islands Ideal geography. The primary contributor to achieving Net Zero by 2045, providing major economic opportunities in manufacturing, marshalling, construction, and O&M.</p>	<p>Unique opportunity for the Highlands and Islands Ideal geography and the opportunity for Scotland to become a leading nation in the Space sector through domestic launch capability within 2 years.</p>
<p>Delivers across Scottish Government key policies Just Transition to Net Zero, Hydrogen Action Plan, Jobs Mission, Population and Talent Attraction and Retention, Place, Innovation and Fair Work.</p>	<p>Delivers across Scottish Government key policies Just Transition to Net Zero, Blue Economy, Manufacturing Recovery Plan, Jobs Mission, Construction, Population and Talent Attraction and Retention, Place, Innovation, Youth and Fair Work.</p>	<p>Delivers across Scottish Government key policies Jobs Mission, Manufacturing Recovery Plan, Construction, Population and Talent Attraction and Retention, Place, Digital, Youth, Innovation and Fair Work.</p>
<p>Delivers high-value jobs in remote, rural and coastal communities Creating value adding industrial activity adjacent to the resource.</p>	<p>Delivers high-value jobs in remote, rural and coastal communities Significant contributor to areas in population decline and requiring diversification and increasing income.</p>	<p>Delivers high-value jobs in remote, rural and coastal communities Significant contributor to areas in population decline and requiring diversification and increasing incomes.</p>
<p>Repurpose/ diversify Oil and gas terminals at Sullom Voe, Flotta and Nigg as initial investments.</p>	<p>How? Regulatory, market and consenting framework enabling energy integration, further T&D and large scale deployment of offshore wind i.e. CfD mechanism, grid connection regime, and regulator capable of consenting and connecting large volumes of new, commercial, cost effective offshore wind.</p>	<p>How? Remove barriers to launch-site development, launch capability is the missing piece of the jigsaw which enables other sectoral growth.</p>
<p>How? Regulatory, market and consenting framework that enable energy integration (repurposing/reuse of O&G assets, demonstrating circular economy principles), and large scale deployment of offshore wind. Accelerate delivery of multi-industry energy transition hubs in Shetland (Orion), Orkney (Flotta) and Cromarty Firth (Norther Scotland Hydrogen Hub). Further T&D to stimulate early supply chain engagement and embed benefits of future large scale projects in the H&Is economy. Cost - £3m per year over the next 5 years, private sector investment will lead and public funds help address gaps as the industry ramps up to being fully commercial.</p>	<p>New leasing and licensing call to enable steppingstone projects to stimulate early supply chain engagement and embed benefits of future large scale projects in the H&Is economy. R&D Funding to support the development of Scottish floating wind structure design solution and associated components. £2m per annum over the next 5 years. c. £100m strategic investment fund aligned with DIT's floating wind 'High Potential Opportunity' to support the development of a further 3-4 integrated manufacturing facilities and up to 6 complimentary port investments to support marshalling, assembly and O&M.</p>	<p>Showcase Scotland's green approach - an opportunity through Space Hub Sutherland (SHS) to showcase and develop the world's greenest spaceport, using biopropane as fuel, recovering 1st stage of launch vehicles, and restoring kilometres of degraded peat bog. Cumulative investment of c£100m over the next 3 years in enabling infrastructure, through a mix of public and private sector funding, (Spaceports, manufacturing facilities and innovation support), would kickstart the sector. A sustainable long-term launch programme and integral national space strategy is critical to success.</p>

Figure 1.3:

Three biggest job creating activities in the region over the next five years (source: HIE)

*O&G: Oil and Gas

*T&D: Transition and Distribution

*CfD: Contract between electricity generator and Low Carbon Contracts Company (LCCC), which is a government owned company that oversees the administration of the contract. For renewable projects, contracts last 15 years.

*H&Is: Highlands and Islands

1.2 Key Themes Supporting the Case for Merger

Merger provides an opportunity for us to fully embrace our role as a tertiary institution tackling our collective challenges head on. As one organisation, we will be a major coordinated voice, providing one aligned curriculum plan, a coherent service design, a consistent approach to learning and teaching and directed (and connected) research and development which will sustain and elevate our communities. Together our reputation will be enhanced in the political, societal, and economic landscape of and for our rural and island communities to support more fully 'learning throughout life', situated where our people live.

As we have developed our merger plans key themes, opportunities and benefits have been identified that will thread throughout the narrative of this business case and all that we will achieve through becoming a merged college in August 2023.

In short – we will be better and stronger together.

An Anchor Institution for the Region

The merged college will become an anchor institution for the region, playing a key role in driving economic renewal and transformational change through education, research, up-skilling, and re-skilling.

We will be a leading partner in the development of regional and sub-regional strategies and delivery plans for economic renewal and transformation. Raising the profile of skills gaps within our region (and nationally) we will be agile in meeting the needs of local businesses to upskill and deliver sector specific learning.

Barriers and boundaries between the three partners will be broken down whilst recognising that each community is distinct and should thrive and drive within its own context. We will create an enhanced public profile and streamlined alliances with all our main industry bodies leading to increased volumes of employer uptake of college services, removing duplication and competition.

Opportunities and Benefits:

- Ensuring regional economic investment through coordinated support for ScotWind, port and space opportunities, the Islands Deal and Cromarty Firth developments; all predict significant and new employment requirements alongside the need for large scale skills development programmes.
- Coordinating and enhancing research activities across the region in further and higher education. Particularly through strengthening leading areas such as environmental studies, online learning approaches and adventure tourism to build on REF 2021.
- Collaboratively developing a resilient portfolio of commercial and consultancy services which are relevant and rapidly responsive to national private and public organisational requirements.
- Ensuring a fully aligned portfolio of activities across the college and the region to ensure integrated and appropriately resourced services.

Collaboration for Resilience and Sustainability

By pooling our resources, building collective teams/services and the sharing of expertise, we will become a more resilient and financially sustainable organisation. We can increase our capacity to proactively and collaboratively navigate sector wide funding reductions and increased running costs to implement innovative and collaborative solutions and approaches.

Opportunities and Benefits:

- To become a financially sustainable college of scale which meets targets and increases income.
- To have resilience in our curriculum, services and teams to meet the needs of students/opportunities presented to us.
- To support our staff in their development, the opportunities they seek and career aspirations.
- To make efficiencies in duplicated roles and activities and reinvest savings into new areas.

Innovative Tertiary Education

We will deliver an accessible and coherent tertiary curriculum to support the development of skills across our region, demonstrating positive student outcomes and maximising accessibility and value for money.

As a single college, drawing on our individual strengths we will collectively communicate the diversity and breadth of the college offerings to all our local communities and schools whether that be further education, higher education, or research.

We will innovate by better using our diverse approaches to delivering learning that combines the benefits of scale, increased specialisms, and a strengthened connection to the needs of local labour markets while making sure our provision is accessible internationally.

Opportunities and Benefits:

- To grow and innovate curriculum across both further and higher education in areas that support the growth of the Scottish economy, specifically within:
 - Renewable Energy
 - Fabrication
 - Aquaculture
 - Gaelic language
 - Digital education
 - Robotics maintenance
- To become a national leader for new skills development/lifelong learning across the blue and green economies (i.e., within offshore wind energy, aquaculture, and fabrication).
- To offer multi location opportunities where students can study across our region in areas such as the arts, adventure tourism, land management and engineering.
- To digitalise and innovate our curriculum across further education to make it as flexible and wide reaching as possible.

Excellent Student Experience, Invested in Place

We will align with the diverse needs of current and future students and employers ensuring we enhance our models of place-based learning, blended learning, and online learning. We will expand and advance our use of digital learning technologies to enable access and flexibility for our full range of learners and extending the reach of our specialisms (i.e., digital education and Gaelic language).

We will link our students into our communities to bring economic, cultural, and societal benefits. We will support students in developing social networks through becoming employed locally and invested in social activities, bringing diversity, fresh ideas, new perspectives, and friendships beyond classroom walls.

Through a stronger and more sustainable network of staff based in our communities, there will be wider interfaces with our community to ensure we understand and address diversity, local context and realise our combined natural capital benefits when planning learning, training, and curriculum together with our partners.

Opportunities and Benefits:

- To increase student choice and satisfaction through innovative, flexible, multi-location education opportunities.
- To encourage vibrant and fulfilling social networks for our students both locally and across the region.
- To invest in our student support services to ensure in-person support is easily accessible and is directed to our diverse student requirements.

Thriving Communities and Place

We will develop and implement a regional estates strategy that will continue to invest in state-of-the-art facilities, tailored for community use and the changing needs of our student body. This estate will be sustainable with a proactive focus on achieving net zero.

Our curriculum will be tailored to community requirements, integrating local business and community owned initiatives to ensure we grow together.

We will support our wider community's economic potential through coordinating procurement and commissioning from local suppliers of goods and services, shortening supply chains and reducing our collective carbon footprints.

We will create a more resilient, sustainable organisation that will ensure continuity as a key employer across our area.

Opportunities and Benefits:

- Developing sustainable, net zero estate that is multi-purpose and invested in our communities.
- Coordinating procurement and commissioning from local suppliers of goods and services, shortening supply chains and reducing our collective carbon footprints.
- To expand into the northwest through developing our offerings of community learning and online schools.
- To support the growth of all our communities through inward migration, reversing population decline.

- To revitalise a master community engagement plan, making best use of our network of centres and people – staff, students, board members, alumni and stakeholders to ensure communities take ownership of local provision to meet their needs.

Enhanced research activity, connections, and knowledge exchange

Utilising our unique relationship with UHI we will increase and strengthen the research culture within the merged college and our region, with greater opportunities for staff and students to become research active through strengthening current specialisms and coordinating our teaching effectively. We will use our proximity to outstanding natural resources combined with state-of-the-art facilities to build internationally recognised research capacity which will have a positive impact on curriculum and build on excellent REF 2021 results.

We will develop a regional knowledge exchange infrastructure that is simple, accessible, agile, and proactive. Improving efficiency and simplification of process between the college and UHI knowledge exchange teams, ensuring collaborative research, contract research, consultancy services, knowledge transfer partnerships, training, commercialisation of research and public engagement with local and national stakeholders.

Opportunities and Benefits:

- Streamlined project management and shared contacts with external partners.
- Improved critical mass of engagement and pool of research staff to enable better competition for funding.
- Potential to develop unique and innovate teaching provision and reputation based upon state-of-the-art research at both further and higher education.
- Enhanced institutional profile through better communication of the research impacts for local business and organisations.
- Enhance international activity such as joint PhD supervision and further developing our collaborations with current and new international partners.

Impactful Economic Investment

We will collaboratively develop and maintain a portfolio of commercial and consultancy services that are relevant and responsive to the needs of both private and public organisations in key economic sectors across our region.

Opportunities and Benefits:

- Intelligent targeting of resources to support business development activities.
- North Highland and Moray Space Cluster – support action plan for talent attraction, STEM, incubation centre and skill shortages.
- Link advanced manufacturing projects between UHI Moray and UHI West Highland to pool expertise and establish links with a range of businesses.
- Support apprenticeship, skills and innovation needs in offshore wind, green hydrogen, decarbonisation, space, and the environment.
- Increased capacity for employability framework services.
- Increased capacity to accelerate and deliver on specialist opportunities.
- Increased efficiency of customer relationship management.
- Ability to identify funding sources and submit bids and proposals for net zero, decarbonisation and sustainability programs across the region.

- Create an overarching community of practice learning hub for sharing best practice and ideas generation to connect like-minded rural community enterprise groups across the area.

Enabling our region's culture through Gaelic language, regional dialects, and Nordic cultures

We will continue to work with national Gaelic agencies to take a stronger role in supporting the development of Gaelic teacher education and through development of online and blended delivery programmes ranging from short courses to full online degrees. While ensuring we expand our vocational and community-related Gaelic medium programmes across the region.

Opportunities and Benefits:

- To drive forward the availability of Gaelic education across the Outer Hebrides, Lochaber, Skye, Wester Ross, Easter Ross, Caithness and Sutherland regions.
- To support the development of language skills and education through working with heritage and community groups to protect and further develop Gaelic as a community asset.
- Alongside partners, take a leading role in increasing the number of Gaelic language speaking teachers across Scotland.

1.3 Benefits of Merger

There are several overarching key benefits of the merger which filter through wider benefits to students, staff, stakeholders, and communities.

- Financial sustainability through efficient services and increasing income in further education, higher education, apprenticeships, directed skills development and business development.
- Resilient team structures and depth of resource to address changing priorities, opportunities, and economic difficulties.
- Cohesive and responsive curriculum and business development teams that can respond to opportunities of scale.
- Becoming a credible choice for local and international students to study through the delivery of high quality and innovative, multi-location programmes delivered out of excellent and sustainable estate.
- Equality of opportunity for learners across our region who can access comparable services that meet diverse needs.

1.3.1 For Students

- A coordinated, joined up and reliable regional curriculum providing clear progression and articulation pathways to employment or further study.
- The dissemination and embedding of good practice in learning and teaching across the region to ensure consistency in service, student experience and equitable opportunity.
- A stronger student voice through an integrated HISA provision that ensures there is fair and active student representation across the merged college committees and activities.
- A streamlined student journey through consistent, efficient processes and service levels from enquiry to graduation, to ensure the best possible experience for the student.
- Enhancement of the student experience through intelligent investment in technology, wellbeing, and student experience strategies.

- Enhancement of the social side of the student experience through retention of local access to campuses and communities and easy access to cross regional student and community networks.
- Enriched digital content and more specialist teaching to ensure greater commonality of approach, consistency, and quality of what we offer, wherever a student chooses to study.
- Access to multi-location courses within landscapes that enhance the course being studied (i.e., adventure tourism, golf, art, land management).

1.3.2 For Staff

- Increased opportunities for both academic and professional staff to share knowledge and expertise to consolidate and enhance best practice.
- Increased personal and professional development opportunities, including job progression, secondment, special projects, research, and scholarly activity.
- Improved job satisfaction, morale, and wellbeing through creation of stronger, larger and more resilient teams; more effective sharing of workloads, opportunity for specialisation and progression and flexible working.
- Improved capacity for academic teams to develop and enhance curriculum and materials and new approaches to learning and teaching.
- Improved job security as we develop and deliver a more sustainable and relevant curriculum.
- Opportunities for staff to specialise rather than being stretched across multiple areas, leading to better career progression and allowing them to focus on what matters most.
- A greater access to specialist advice and support, whether that be academic or professional.
- Increased opportunities for doing new and enhanced things – with more scope and increased capacity for research, innovation and enterprise.
- Membership to Local Government Pension Scheme for professional services at all partner colleges when they transfer to the merged college.
- Commitment to National Pay Negotiations, NRPA and Fair Working Conditions.

1.3.3 Benefits to our Partners and Stakeholders

- A single point of contact for partners and stakeholders to access, influence and partner a broader and more effective curriculum offer.
- Enhanced capacity at all levels of our organisation and directed leadership/specialist roles to strengthen existing engagement and support the creation of new partnerships.
- A new organisation that delivers locally, but will plan strategically across the region it serves, contributing to the region's economic recovery and development plans as a key enabler.
- The development of a new and innovative business development strategy bringing the external business environment together in a more progressive and proactive way. Instead of sense-checking new curriculum developments mainly through labour market intelligence data we will become more relevant and responsive through interactions with our network of contemporary business engagements in planning the curriculum.
- A strong and positive partner within UHI, better placed to respond to national skills priorities, initiatives, and strategies.
- The more we partner alongside our business environment, the more relevant our programmes will become and the more our students actively engage with business

during their studies, the more probable their ultimate success in achieving positive outcomes and employment locally.

- A range of Gaelic courses from community-based beginners' courses through to General Teaching Council for Scotland approved Gaelic medium Initial Teacher Education programmes.
- Closer working with industry, local authorities, NHS, and other agencies to establish shared initiatives, for example legislative training delivery model that can be delivered locally and online to demonstrate interagency corroboration and economic value.

1.3.4 For our Region and its Communities

- Investment in our estates, our partnership with business and community, our learning centres and our specialist infrastructure assets that matter most locally will enhance our positive impact on local businesses and our communities to:
 - Pool resources to create one portal where learners' parents and teachers can access free activities to help them progress to tertiary education and to upskill.
 - Support digital capability locally.
 - Be a unified organisation of scale which can better represent and work with key partners in rural communities across the area and help find solutions for common challenges.
 - Ensure access to one extensive first-class learning system designed to support rural, island and coastal communities.
 - Ensure access to resources to support local people to take the next steps of learning.
 - Allow continuation of a place to study supported by local friendly staff and to expand outreach through local groups where possible.
 - Enhance key local contacts, opportunity for relationship development and support by our staff working within the local area.
- We will preserve local focus and place identity, and enhance community diversity through our distributed, local centres by:
 - Creating and maintaining locally based high quality jobs, helping communities retain locally based talent and increase job opportunities that attract new talent and specialisms into the area.
 - Increasing access to a wider curriculum range, we will encourage those who would have travelled away, in particular our young people, to settle in our rural and island communities to study and work, reducing outward migration.
 - Offering enhanced employability skills, we will ensure access to a local workforce and skills pipeline matching local demand and need.
 - Having an improved profile, better student experience and direction that makes us a credible alternative to off island study and offering those who are returning quality postgraduate and continuing professional development courses.
- We will help create a new arc of prosperity, empowering rural and island communities in the Highlands and Outer Hebrides in becoming the best places to live in our region.
- Through pooling our expertise, community work, resources, and extensive networks to develop a single collective of scale and grow income so that we can fuel economic, societal, and cultural growth and renewal in a unique way.

- Through embracing and proactively focusing on culture, tradition, language and dialect, including Gaelic and Nordic in our plans whilst building on the Islands Strategy "Supporting our Islands" we will support the growth of and retainment of local identity.
- There will be a noticeable impact on regional economic prosperity through an increasing percentage of students achieving a recognised vocational award and a higher percentage of students progressing to a positive destination (work or further study).
- Through collectively addressing the potential for running summer schools and extension courses we will encourage more exchange students and inward investment to our region.
- We will support community owned/social enterprises, particularly those linked to a green and inclusive economy that supports population recovery, job creation and net zero communities.
- Ensure the longevity of our learning centres, which have direct positive impact on our fragile communities through employment and supporting community initiatives.

1.4 Challenges of Merger

Although agreed that merger is the way forwards to ensure our three colleges thrive, it is acknowledged that undertaking a merger of this scale, within a region as diverse as ours, where staff are scattered over a large geographical area will be a significant challenge. Bringing our staff, students and communities together to collectively deliver services will always be difficult, and expensive in a region where we are so vastly dispersed by land and water and poor connectivity.

We acknowledge that the three partners have distinct cultures and histories which will need to be celebrated and preserved whilst integrating staff with energy and enthusiasm to deliver the best possible service to students, businesses and communities going forwards.

The merged college will require a leadership team who alongside our staff collectively define our new direction, structure and combined culture. As well as rationalising our services, integrating our systems and ensuring we are providing consistent services to students we will need to navigate increasingly challenging financial constraints, make efficiencies and consider difficult decisions on where we direct resources to ensure we secure expansion into the key areas identified within this business case.

Our success will be defined by our growth across teaching, research and industry, and to achieve the college we aspire to be we will need the ongoing commitment of our staff. Yet our staff will face a significantly challenging few years as the merged college takes shape, our teams align and structures change.

We are committed to ensuring the merger process is as open as possible and that all our staff feel part of defining the merger as opposed to it being something that is happening to them. We will therefore do all that is possible to ensure the relevant support structures and funding is in place to support the requirements of our staff as we collectively build the resources and structures required to ensure our foundations are strong and a thriving college of the future is achieved.

2.0 Background, Our Region and Partner Colleges

2.1 The Region and its Community

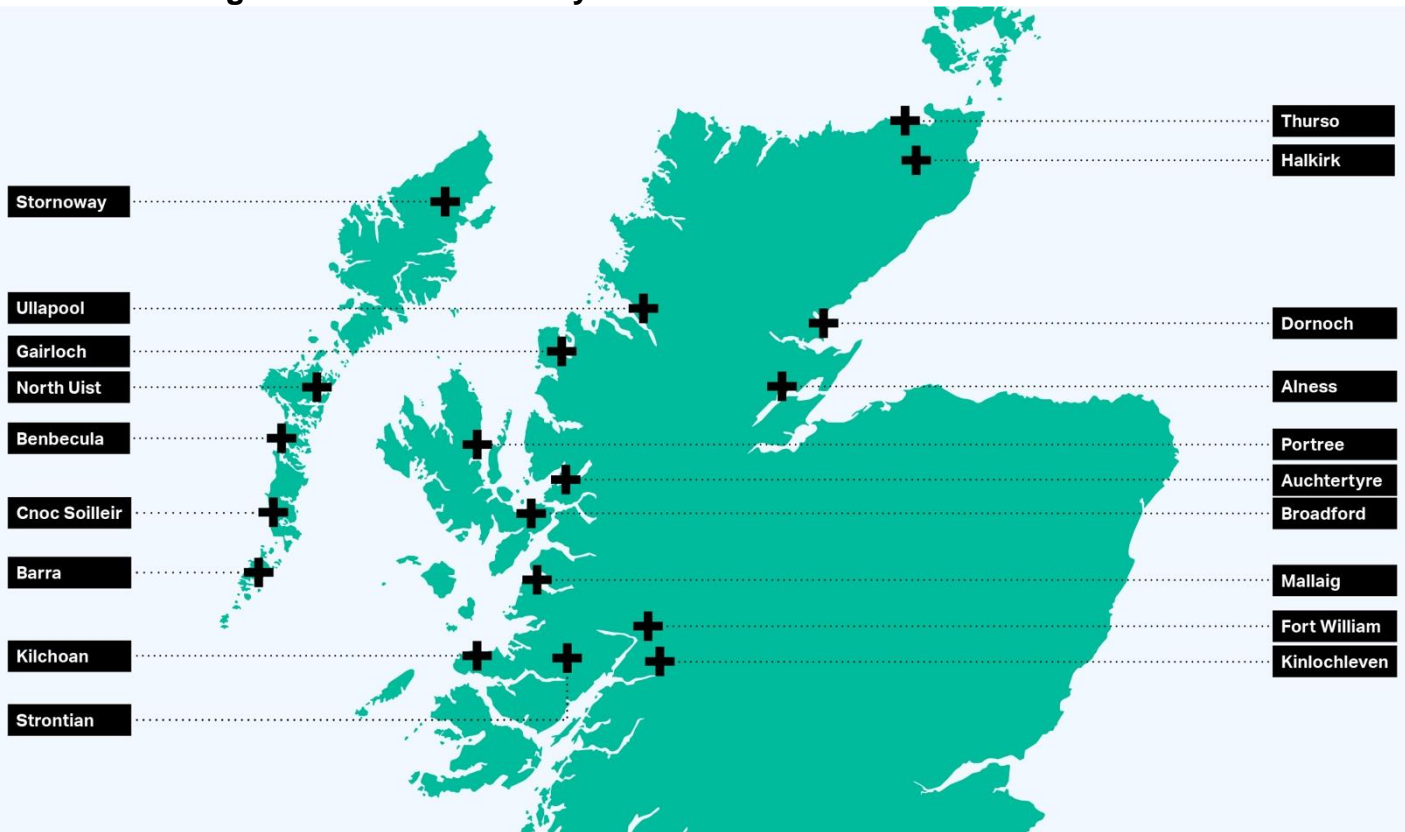


Figure 2.0:
Merged College Region and Learning Centre Locations

The partner colleges have a physical presence within 19 distinct communities, each serving a wide but sparsely populated area. Our communities have been shaped by our coastal, moorland, and mountainous terrain and together we cover an area of 12545 miles²; (almost the size of Wales), and 5357 miles (70%) of Scotland's coastline. Our diverse communities have been etched into the landscape with a distinct purpose and connection to its people, and are often small, located at a substantive distance from towns and urban areas which they are dependent on to provide significant service infrastructure.

The collective area of Lochaber, Skye, Outer Hebrides, Caithness, Sutherland, Easter Ross and Wester Ross has a population of 125,716, with almost half these people living within 14 small towns (populations ranging between 1,150 in Broadford to 7,400 in Thurso). The area is served by many small villages like Kilchoan (150 people) and Durness (350 people), with island communities like Berneray (140 people) and Eigg (105 people).

Our geography brings us both advantages and challenges. Our travel networks can be complicated, infrequent or time consuming, hampered in severe weather conditions and disrupted by significant volumes of summer traffic. Our dispersed region makes it challenging to distribute digital and communication networks across the entire area and the cost of living is high and includes higher food and fuel costs combined with a lack of affordable housing. Yet our environment, heritage and natural capital is a major asset and of national significance. We cover one of the largest single natural capital areas in the UK with positive geographic features, renewable energy resource, carbon sequestration, environment, and biodiversity. Our area has unrivalled natural resource opportunities in the push to net zero. The outstanding landscape is often featured in Visit Scotland and is a major attractor to visitors from around the world, including the Wester Ross Biosphere, North Coast 500, and the Outer Hebrides. Our geography comprises of areas attractive for their wild qualities, sea lochs, rugged peninsulas, sea cliffs, rivers, mountains, lochs, waterfalls, and peatland. It hosts the majority of Scotland's Munros and the largest expanse of blanket bog in Europe, the Flow Country. Significant offshore wind, tidal, and wave resource is found around our area.

The Highlands and Islands is the only area in Scotland where Gaelic is still regularly used as a community language. The 2011 Census showed that the Outer Hebrides and Highland local authority areas has the highest proportion of Gaelic speakers in the country. The proportion of people aged three and over with some Gaelic language skills was highest in the Outer Hebrides, at 61%. Highland region was second at 7% – although this percentage is smaller than the Outer Hebrides per head of population, it nevertheless represents a significant percentage of the population.

In addition to significant Gaelic influence the area covered by the proposed merged college also has a wealth of Nordic influence. In some areas, particularly the Outer Hebrides, this influence is found alongside Gaelic culture, whilst in areas such as Caithness this Norse influence sits distinctly. There are historical influences on dialect, place names, and culture, and this sets out the merged college with distinct advantages in collaboration with Nordic neighbours and future aspiration to 'look north' in working with Nordic and Arctic countries.

The aspirations of UHI extend beyond placed-based education. Embracing a ‘daring to be different’ ethos, UHI has ambitions in its areas of strength, namely tertiary education personalised to the learner journey, world-class research impact, enterprise, and engagement with its communities.

2.3 The Partner Colleges

2.3.1 UHI North Highland

UHI North Highland opened in 1959 as Thurso Technical College to serve the training needs of Dounreay Nuclear Power Plant, located 10 miles from the Thurso campus. Over the years it has significantly expanded its curriculum in a truly tertiary manner. The college has continued to support the training needs of Dounreay as well as developed our curriculum in key subject areas to meet the demands of new and changing employment opportunities.

The college has also expanded its geographic reach into Halkirk, Dornoch and AIness and was renamed as North Highland College in the early 2000s.

With excellent staff expertise and significant resource investment UHI North Highland are a very proud tertiary education provider for the communities of Caithness, Sutherland, and Easter Ross, as well as an inward attractor of students studying land based, professional golf and golf management programmes.

UHI North Highland’s Environmental Research Institute in Thurso is home to a growing international community of staff and students studying key themes of significance to the North Highland area.

The college’s employer engagement is strong across the Highlands and is renowned for a flexible approach to meeting employers, whether they are large or very small businesses.



2.3.2 UHI West Highland

Created in 2010 through the merging of Lochaber College (Fort William) and Skye and Wester Ross College (Skye), UHI West Highland has 10 learning centres across Lochaber, Skye and Wester Ross, with a learning offer ranging from tourism, hospitality and care to creative arts, crofting, maritime, aquaculture, computing, and construction.

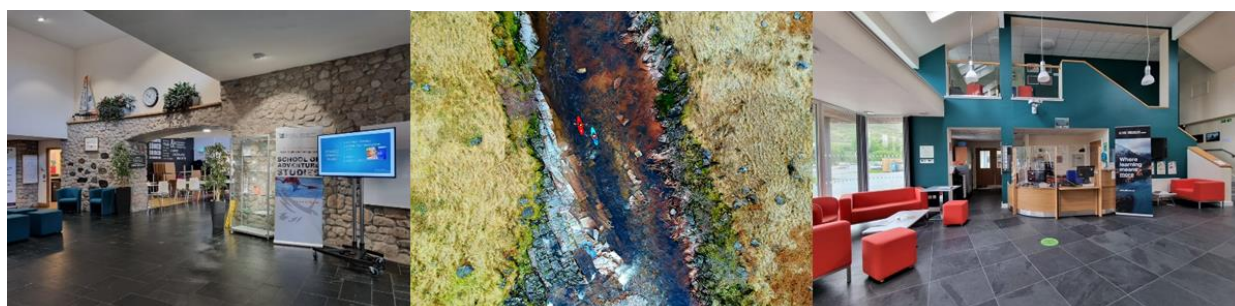
Its unique specialism in outdoor, adventure and marine tourism through its School of Adventure Studies, boasting close links with key organisations in the outdoors sector which makes for a relevant and dynamic curriculum offer. Its Centre for Recreation and Tourism Research was created in 2012, and is one of Scotland’s leading tourism research centres, undertaking a range of projects from academic and applied research to trans-national research and consultancy services.

Course development is closely aligned with the needs of industry, providing a wide range of industry qualifications and bespoke training courses to support workforce development and training, as well as work-based learning through apprenticeships aligned to local employer needs. Through the Advancing Manufacturing project, launched in Spring 2021, UHI West Highland is providing support to small to medium sized businesses with access to advanced manufacturing technology and expertise.

UHI West Highland has close partnerships with its nine local secondary schools, offering courses to around 600 pupils as part of their senior phase, and ambitions in STEM engagement with primary schools. A strategic collaboration with UHI Inverness and UHI North Highland, has resulted in the creation of “Virtual School” an innovative solution to the lack of subject choice and small class size in a Highland-wide offer for young people in 29 schools across the region.

Its experience in developing and implementing an innovative, learner focused delivery model has substantially increased access to further and higher education across its remote and rural geography.

UHI West Highland’s stated aim is to strive to have a beneficial impact on the development and prospects of this region, its people and its communities, contributing directly to the sustainable economic, social, and cultural life of our area and to be an inspiration for all those who want to live, learn and work in such an outstanding place. It remains one of the largest employers in the area, employing around 250 people.



2.3.3 UHI Outer Hebrides

UHI Outer Hebrides is a centre for learning and research with local, regional, national, and international reach. The college was established in 1953 within Lews Castle, Stornoway, Isle of Lewis, and was originally titled Lews Castle College to reflect this. It began as a provider of technical training in seamanship but then diversified to provide a broader vocational curriculum.

In 2011 it became part of UHI, enabling it to extend the reach of the college to include degrees, postgraduate programmes, and research. In April 2022 Lews Castle College UHI was renamed UHI Outer Hebrides to better represent the geographic reach of a college which has campuses in Stornoway, Barra, North Uist, Benbecula and, from August 2022, South Uist.

UHI Outer Hebrides' reputation is built on its innovative approach to learning and distinctive research and curriculum, and developed the first UHI degree and first online, networked degree. The college now works with its partners and stakeholders across the region to provide a broad portfolio of further and higher education, delivered at the College, in schools and in the workplace, as well as highly regarded specialist programmes and research in areas such as digital pedagogy, energy engineering, archaeology, and sustainable development.

Its Centre for Online Research and Education supports education research and enhancement in learning and teaching practice, while its Innovation Centre facilitates small business innovation and graduate business start-up.

The college has a strong role in supporting Gaelic language, culture and heritage and, in partnership with national and local Gaelic agencies, has developed its portfolio to include a range of flexible Gaelic language and Gaelic medium skills training and community programmes.

The new Cnoc Soilleir building in South Uist will offer state of the art facilities for its Gaelic, music, archaeology and creative industries programmes from August 2022. Its campus redevelopment plans for 2023 will transform its STEM facilities in Stornoway, supporting delivery of new curriculum, providing new student social spaces, immersive technology classrooms and a purpose-built resource centre for schools.



2.4 Key Stakeholders and Funding Partners

The merged college will focus on strengthening its links with all its key funders and stakeholders who will have clearer and more joined up points of contact for the region the merged college will serve.

Stakeholders will be able to access one provider for multiple skills programmes that can be delivered in multiple locations regionally, using a range of state-of-the-art centres and resources. In addition, we will be able to link stakeholders across the region and support the development of curriculum that meets multiple needs in a collaborative and efficient manner.

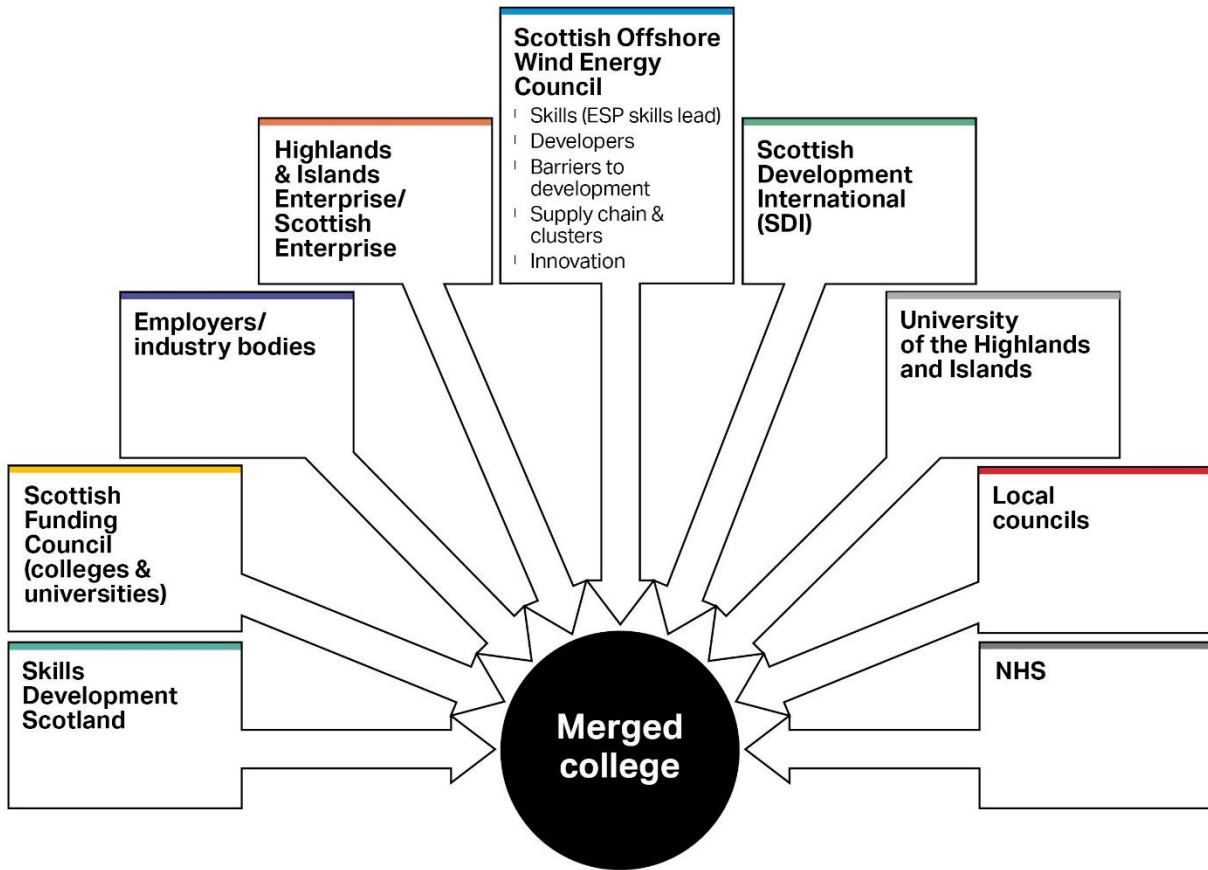


Figure 2.2:
Key Stakeholders for Merged College

3.0 Vision, Mission, and Values of the Merged College

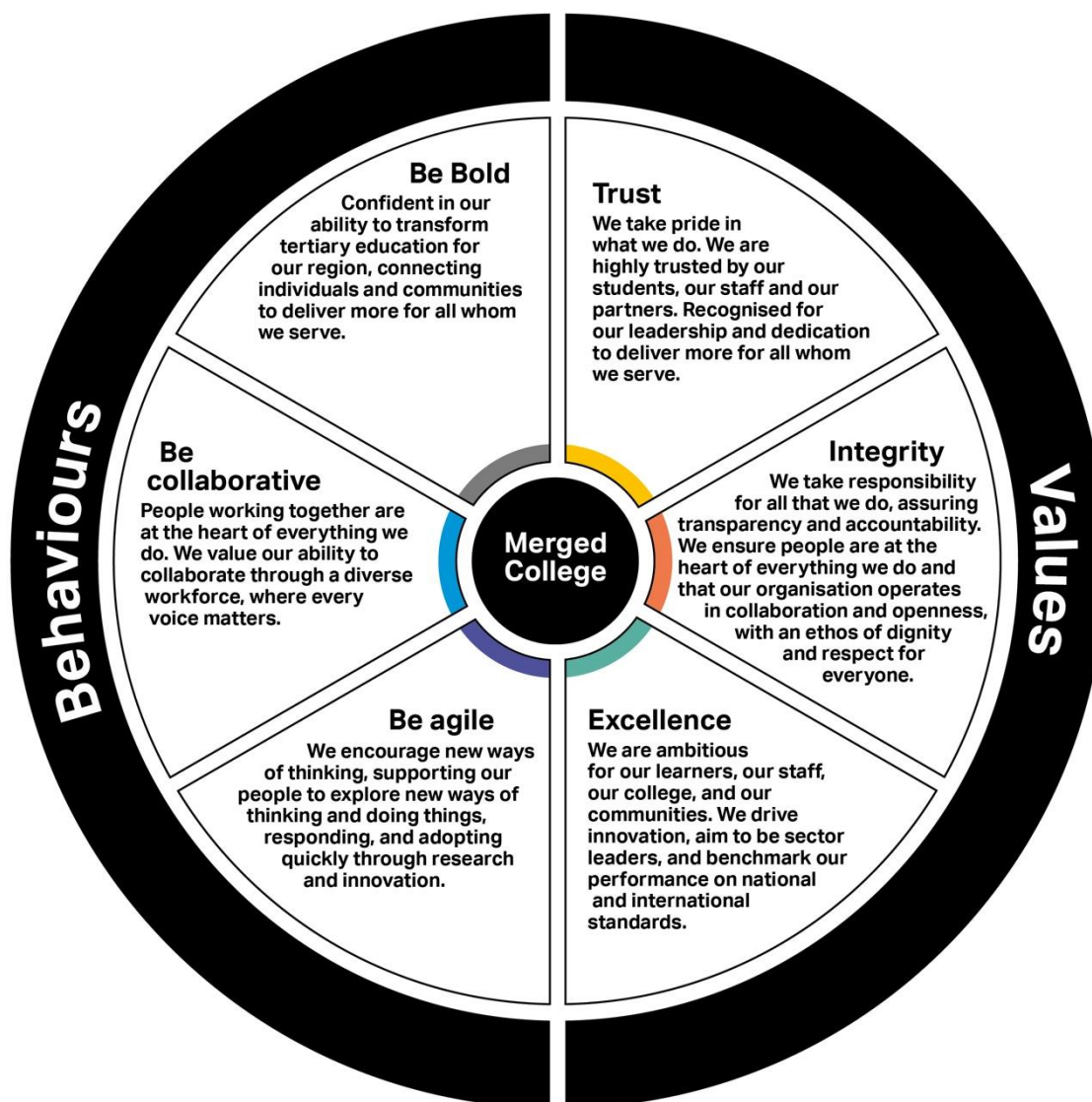


Figure 3.0:
Behaviours and Values of the Merged College

3.1 Vision

To be an anchor institution for the region – a connected, flexible, distributed and sustainable learning organisation, opening doors to a world of opportunity.

3.2 Mission

We will connect rural and island Scotland, pioneering distinctive education and research opportunities to enable our students and communities to shape their futures in a changing world.

3.3 Values

Trust

We take pride in what we do. We are highly trusted by our students, our staff, and our partners. We are recognised for our leadership and dedication to deliver more for all whom we serve.

Integrity

We take responsibility for all that we do, assuring transparency and accountability. We ensure that people are at the heart of everything we do and that our organisation operates in collaboration and openness, with an ethos of dignity and respect for everyone.

Excellence

We are ambitious for our learners, our staff, our college, and our communities. We drive innovation. We aim to be sector leaders and benchmark our performance on national and international standards.

3.4 Behaviours

Be Bold

We are confident in our ability to transform tertiary education for our region, connecting individuals and communities to learning and education.

Be Agile

We encourage new ways of thinking, supporting our people to explore new ways of thinking and doing things, responding and adapting quickly through innovation.

Be Collaborative

People working together are at the heart of everything we do. We value our ability to collaborate through a diverse workforce, where every voice matters.

3.5 Strategic Framework

Vision	To be an anchor institution for the region - a connected, flexible, and sustainable learning organisation, opening doors to a world of opportunity				
Mission	We will 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				
Branding	Successful students		Thriving communities		Sustainable organisations
Values	Trust We take pride in what we do. We are highly trusted by our students, our staff, and our partners. Recognised for our leadership and dedication to deliver more for all whom we serve.		Integrity We take responsibility for all that we do, assuring transparency and accountability. We ensure people are at the heart of everything we do and that our organisation operates in collaboration and openness, with an ethos of dignity and respect for everyone.		Excellence We are ambitious for our learners, our staff, our college, and our communities. We drive innovation, aim to be sector leaders, and benchmark our performance on national and international standards.
Behaviours	Be bold We are confident in our ability to transform tertiary education for our region, connecting individuals and communities to learning and education.		Be agile We encourage new ways of thinking, supporting our people to explore new ways of thinking and doing things, responding and adapting quickly through research and innovation.		Be collaborative People working together are at the heart of everything we do. We value our ability to collaborate through a diverse workforce, where every voice matters.
Key strategies and plans	Learning & teaching strategy To include curriculum plan. Learning, teaching and digital skills strategy.	Student experience & engagement strategy To include student engagement plan, student experience plan, HISA engagement plan.	Research strategy To include research strategy and knowledge exchange plan.	Gaelic language strategy	Business development & growth To include business development, stakeholder engagement plan and internationalisation plan.
Underpinning strategies and plans	Estates & ICT strategy To include estates plan, digital plan, sustainability plan.		People, organisation & culture Strategy To include equality and diversity plan, human resources and organisational development plan, communities plan, culture development programme.		Finance strategy

Figure 3.1: Merged College Strategic Framework

4.0 Merger Option Appraisal

4.1 Process

In early 2021 seven of the UHI academic partners agreed to explore options for improvements to ensure long-term sustainability and maximise opportunities for students, staff, and local communities. At the request of the merging partners UHI commissioned Rockborn Management Consultants to undertake an options appraisal on behalf of the partners. One of the report recommendations was that, subject to approval by the relevant boards of management, a working group be established drawn from the boards and executives of UHI Outer Hebrides, UHI North Highland, UHI Argyll and UHI West Highland to examine the case for merger in more detail, up to and including the development of an outline business case. The report stated that “a single entity would allow a single Board of Management and a single management team to plan and oversee curriculum coherently, eliminate competition between the individual entities, and facilitate coherent resource management and reduce costs, allowing money to be directed to front line services”.

The report highlighted that a successful merger would lead to a merged college of scale and impact within the UHI partnership that serves the majority of Scotland’s Atlantic and northern coast and islands, and the inland remote rural communities beyond that. The scale of the merged college would allow leveraging of maximum impact by harnessing the heritage, experience, and excellence of four colleges in a single organisation with a single strategy. The college could build ambitious collaborations with schools, community, industry, enterprise, and research partners at regional, national, and international levels, with an integrated tertiary curriculum offer, alongside distinct and world-leading research specialisms rooted in our communities and economies.

Following the publication of the Rockborn report in May 2021 there was extensive dialogue between chairs, boards of management and senior leaders from the four colleges and the university about the recommendations. Dialogue continued through summer 2021, using an executive working group as the vehicle for discussions. On 10th September 2021 a visioning event was held and later in September, the working group was formalised into a Partnership Board and held its first meeting on 23rd September 2021 with three of the colleges having agreed to investigating the merger. At this point UHI Argyll decided not to proceed.

4.2 Why a merger was considered the best way forward

Rockborn identified that the merging partners experience similar challenges and opportunities in their rural, coastal and island contexts. Rooted in their communities, delivering education in a distributed way, they have built an alliance on very closely aligned vision and values. The case for merger was made under three broad topics:

Governance and Strategic Management

At present each institution has a separate board which requires servicing at a significant cost in time and resource. This could be significantly streamlined with one Board instead of three, yet with the same level of oversight.

Curriculum

A review of the curriculum at each college illustrates much overlap and the opportunity to develop a core curriculum which could be delivered more sustainably across the region. Corporate staff report that over the years much has been made of the distinctiveness of each college and perhaps too little emphasis has been placed on the common tertiary delivery and common core curriculum across the region.

Realignment of curriculum between some or all the colleges involved in this review has the potential to increase the reach of the curriculum and provide more opportunities to students in the remote areas UHI seeks to serve. It would ensure the curriculum offer is sustainable, adaptable to meet employers' changing needs, and has the potential to improve further the quality of teaching and learning through the sharing of best practice.

Financial

The financial case made in the Rockborn report was based on the premise of the three in-scope colleges merging along with UHI Argyll. This analysis has been superseded by the financial case made within this business case, which should be referred to for detailed information.

The overarching benefits of the merger as summarised in the Rockborn report are provided in Appendix 1. Benefits also directly respond to the Scottish Funding Council [Review of Coherent Provision and Sustainability](#), and recommendations within the [Review of Regional Strategic Bodies – University of the Highland and Islands](#) to build a more resilient tertiary education provision across the Highlands and Islands region where consolidation and recalibration is realised through the merging of partner colleges.

4.3 Impact of not proceeding with a merger

The Rockborn report highlighted that the limited advantages of not proceeding with the merger are, essentially, that it requires no effort or cost, and it allows the management team to focus on the needs of the organisation without the distraction and uncertainty of change. Each college could remain independent in its current form if it makes sufficient contribution to cover its servicing costs and, in the case of assigned colleges, the required surplus to cover reinvestment. There are also a significant number of opportunity costs associated with not proceeding with a merger, as many of the benefits generated by the merger cannot be realised by the smaller colleges in their current structure.

Alongside advantages of remaining independent, a number of risks/costs were identified in the Rockborn report and are provided in Appendix 1.

4.4 Legal and Financial Due Diligence

To support progress towards merger financial and legal due diligence processes were commissioned by the Partnership Board to ensure there were no legal or financial barrier to the three partners merging.

The financial due diligence reports included historical and current financial performance; accounting policies; audit issues; financial control; operational performance; assets; liabilities and reserves; cash flow; taxation; pensions and pension accounting; risk management; financial and operational planning; terms and conditions of staff; IT systems and contingent liabilities.

The legal due diligence reports included: the merger process and key issues in the context of a Fusion model compared to a Phoenix model. The outcome of legal due diligence was that there was no material obstacle to the merger of the three partner colleges.

The following areas were highlighted within the due diligence summaries for further action and these recommendations will be prioritised as part of merger planning to collate the relevant information to generate recommendations to inform the decision making of the Partnership Board.

Financial recommendations:

- That as part of forming the merged college financial processes are reviewed and automated wherever possible to avoid manual errors.
- To review contracts with external and internal auditors for UHI West Highland to avoid breach of contract.
- To consider the alignment of strategic estate planning in the context of a merged college with refreshed, unified strategic directions, and options to reduce excessive property costs.
- To consider and ensure legal status and market value of the shareholdings in UHI OH (Trading) Ltd and Greenspace Live Ltd are considered and reported appropriately in accounts.
- To seek professional advice in relation to all property transitions.
- That all VAT liabilities are quantified prior to any merger taking place and expert advice sought.
- To ensure the merged college develops expertise in corporation tax.
- To quantify the pension position of the merged college and financial cost of WHC entering the Highland Pension Scheme and factor this into the financial model.

Legal recommendations:

- To seek consent for transfer of contracts, properties, and lease agreements in good time before vesting date - additional support and advice will be required regarding the transfer of contracts from UHI WH which is a non-incorporated college and therefore not covered by a Government Transfer Order.
- A review is undertaken of all parties' intellectual property issues to determine how the parties would like to deal with their respective intellectual property matters after merger and what the policy will be for the merged college.
- That following merger, trademark protection is sought to protect the merged colleges brand and reputation.
- Once the decision on model had been taken, that financial and legal advisors work to determine the most advantageous commercial route in moving forwards and agreeing any loan transfer agreements.
- To work with The Highland Council and Highland Council Pension Fund to explore options to avoid cessation payments, regarding a wind down of a college with deficit liabilities.

4.5 Merger Model

The merger model selection process was undertaken by the Partnership Board and Boards of Management in May 2022. An overview of the main merger model options (phoenix or fusion) and corporate form (incorporated or unincorporated) were reviewed by comparison of positive and negative factors.

The phoenix model required dissolution of the existing fundable bodies and a new body created in their place, a lengthy, complex legislative process whereas fusion adopts one of the existing partner colleges as the legal vehicle to create the merged college. The Boards of Management therefore agreed that a fusion model facilitates a timelier and more cost-efficient mechanism to merger to support the 1st August 2023 vesting date. Under the fusion model, the Scottish Government will make an order dissolving the Boards of Management of the colleges who are not the legal vehicle. The transfer of assets and liabilities is not the subject of the order; this is transacted by agreement between the colleges themselves against the background of the powers which Scottish Ministers have delegated to the Scottish Funding Council to approve the transfers of assets. Boards of Management also agreed that the merged college would be incorporated.

Once two of the three partner colleges have been dissolved and the transfers of assets have taken place, the college selected as the legal vehicle would then change its name to UHI XXX (to be confirmed in late November 2022). At the same time, ministers would promote a separate order to designate UHI XXX as a fundable body.

4.5.1 Corporate Form and Financial Flexibility

Dialogue with the Scottish Government and the Scottish Funding Council supports the view that an incorporated fusion model is the best option for the merger. During the model considerations, it was agreed that the financial flexibilities of a non-incorporated form would better support the future capital investment aspirations of the merged college. The Partnership Board have therefore committed to seek financial flexibility to enable strategic multi-year capital investments in areas such as curriculum and estates development through wider discussions with Scottish Government and the Scottish Funding Council.

4.5.2 Fusion Model – Legal Vehicle

An Assessment Matrix (Appendix 2) was used by Partnership Boards, alongside legal advice to select a legal vehicle for the merger. Following review of this and ranking of the three merging partners the vehicle was agreed to be UHI North Highland.

4.6 Financial Business Case

The full and detailed financial business is provided in [Supplementary Report 1](#). A detailed projected income and expenditure analysis for the merged college, 2021-22 to 2027-28 is provided in table 4.1.

It should be noted that an accurate financial plan over a five-year period is challenging, particularly at a time of rapid change and pressure on public funds. All modelling was undertaken in October 2022 and reflects flat funding, inflation and pay predictions known or assumed at that date.

Government flat funding across education and skills development, rural and islands, local governments, finance and economy and culture during a time of unprecedented costs will have significant impact in the financial situation of the individual colleges pre-merger and

increases their financial vulnerability without merger (see Appendix 5 of Supplementary Report 1). Facing these financial challenges together through becoming more efficient and reducing repetition across the region will ensure our learners of the future continue to have a breadth of study options available to them locally.

The development of the financial model has enabled the identification and consideration of all the key issues and delivery risks to be managed through the merger process, and options to be considered.

Due to the levels of uncertainty estimates for growth in unregulated income such as business development and research are modest and, in these areas, we will be looking to exceed expectations (through the development of commercial skills courses, commercial use of estate and research activity).

Summary Budget Position new merged college							
Income & Expenditure Account							
	2021/22 Budget	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2027/28 Budget
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Income							
SFC Income	15,538	15,928	16,152	16,395	16,665	17,110	17,539
Other Education Income	4,291	3,976	4,156	4,401	4,678	4,846	5,003
Research	1,598	1,500	1,550	1,550	1,600	1,600	1,650
Other Income	4,557	4,353	4,334	4,375	4,417	4,459	4,503
TOTAL INCOME	25,984	25,757	26,191	26,722	27,359	28,016	28,695
Expenditure							
Total salaries	18,765	19,523	19,636	19,842	19,854	20,102	20,354
Other non-staff costs	7,856	7,679	7,879	8,115	8,237	8,362	8,489
TOTAL EXPENDITURE	26,621	27,202	27,515	27,956	28,092	28,464	28,843
OPERATING SURPLUS/(DEFICIT)	-637	-1,445	-1,324	-1,235	-733	-448	-149
ADJUSTED OPERATING POSITION	471	-1,361	-1,203	-1,119	-595	-315	34

Table 4.0:

Detailed projected income and expenditure analysis for 2021-22 to 2027-28

5.0 Curriculum: Our Merged Vision for Tertiary Education in the Highlands and Islands

5.1 A Tertiary Curriculum Strategy for the Merged College

Through merging the merged college will have greater breadth and depth of high quality, flexible education and training opportunities with integrated services which are more resilient, efficient, and easily accessible for students. The merged college will offer a full tertiary education portfolio from senior phase through to postgraduate research degrees.

The partner colleges already come from a place of excellence with exceptionally high student satisfaction, and this continued commitment to our current standards will be shared across all 19 campuses as the merged college reviews its provision, builds, implements best practice and expands. Through developing existing strength, skill and abilities, our curriculum strategy will be more responsive to local, regional, national, and international need. We will plan and review our curriculum systematically using an evidenced-based approach and within the context of UHI's *Daring to be Different*, regional outcome agreement and curriculum review of tertiary education whilst reflecting a range of other key strategic drivers.

Our experience of embedded meta-skills delivery across the curriculum will inform an increased and targeted focus on entrepreneurial learning. Students will develop their entrepreneurial skills incrementally throughout their educational career and leave well-equipped to make innovative contributions to the world of work. Involving business leader role models more effectively in the delivery of the curriculum will be a priority and we in turn will better support employers and students by offering more accessible incubation spaces and development opportunities.

Our tertiary curriculum strategy will deliver:

- A systematically planned, reviewed, accessible and demand-led tertiary curriculum, relevant to the economic and social needs of our students, employers, and communities, making sure the right learning, in the required format is in the right place.
- An innovative, high-quality curriculum that equips our students for a modern workforce, raises expectations, increases success and supports a future-focused learning experience.
- A sustainable curriculum with bespoke learner led pathways.
- Efficiencies in scale, instead of delivering multiple curriculum in multiple locations we will have efficient curriculum teams delivering learning collaboratively across the region.

Our tertiary curriculum strategy will shape our commitment to:

- Increase collaborative partnerships and shared delivery models.
- Further develop our school-college partnerships, virtual schools and e-Sgoil.
- Reflect the outputs from the UHI tertiary curriculum review.
- Ensure we are able to provide supported learning opportunities across our regions.
- Use digital technologies to widen access, promote individualised learning, develop digital expertise, and grow existing distributed learning models.
- Clearly define progression pathways and transitions across all SCQF levels.

- Increase part time provision, work-based learning, apprenticeships, continuing professional development, entrepreneurship, bespoke training for larger business, SMEs and micro-businesses and micro-credential provision.

Areas of key curriculum growth:

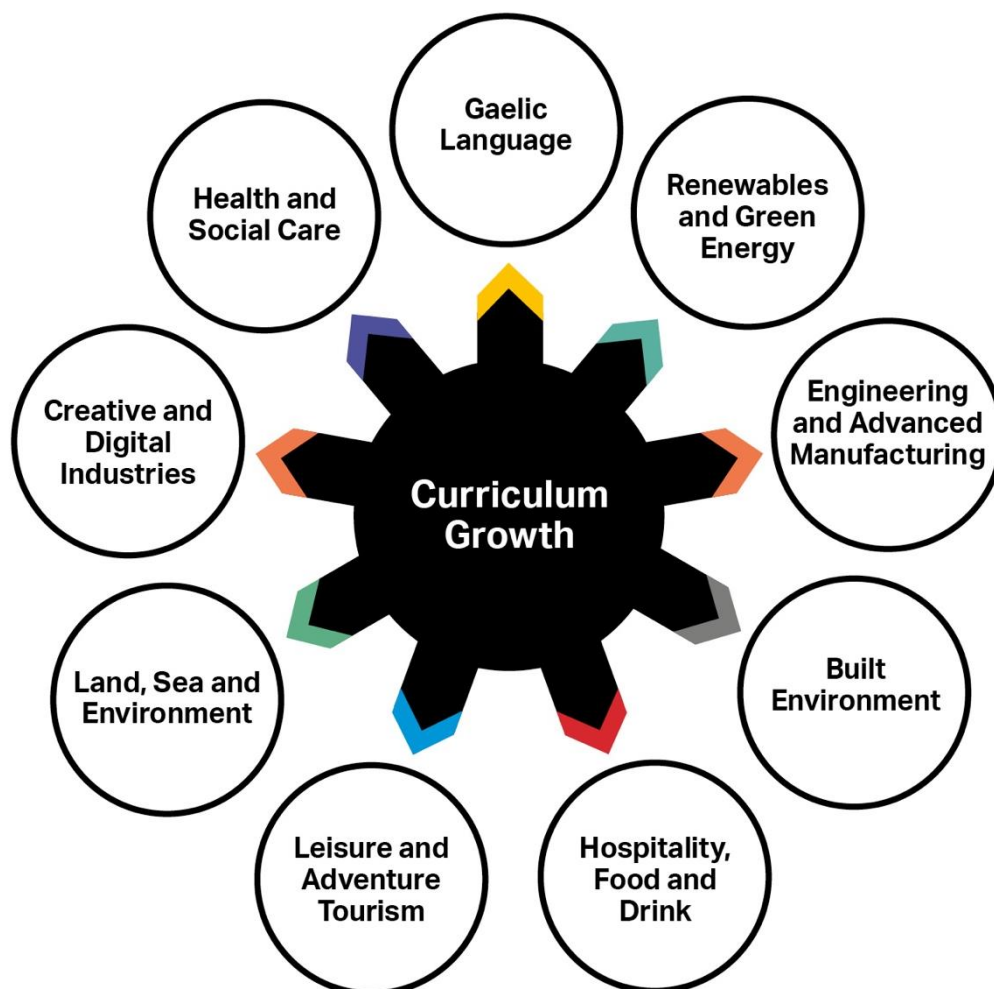


Figure 5.0:
Curriculum growth areas

5.2 Responding to Regional, National and International Needs and Initiatives

We will offer an exciting and innovative response to the challenges facing the tertiary education sector. As we emerge from the first few years of the COVID pandemic and flex to the post-Brexit and eastern European political and economic landscapes, we will create a sustainable curriculum strategy and provision that addresses the Scottish Funding Council's [Coherence and sustainability: A review of tertiary education and research in Scotland](#) and the Scottish Government's response to it.

With key stakeholders we will establish multi-year planning processes to meet the needs of current and future pupils, students and employers and support lifelong learning to upskill, reskill and adapt to ever changing labour markets. Our combined collective expertise will facilitate a broader range of education, skills training and micro-credentials

to further enrich people's lives, work and communities aligning to the Scottish Government's [Adult Learning Strategy 2022 to 2027](#).

We will develop a new learning, teaching and digital skills strategy in support of the Scottish Government's [A Changing Nation: How Scotland will thrive in a Digital World \(2021\)](#), SFC's [Coherence and Sustainability: A Review of Tertiary Education and Research in Scotland](#), and the [Scottish Government's National Strategy for Economic Transformation](#). The strategy will underpin the expansion of digital skills through online and in-person learning and teaching activities and the flexible use of our distributed learning centres where students and local communities come together to use facilities.

We will develop innovative solutions to the Scottish Government's [Net Zero: Climate Change Plan 2018-2032](#) and the [Climate Emergency Skills Action Plan 2020-2025](#). Our offer will be underpinned by and promote the principles associated with [A Blueprint for Fairness: Commission on Widening Access, DYW: Scotland's Youth Employment Strategy](#) and contribute more effectively to [The National plan for Scotland's Islands, and Highlands and Islands Regional Skills Investment Plan](#). By expanding and making the curriculum more accessible our contribution to the Islands Growth Deal and [Islands Skills Investment Plan, Skills for Scotland: Accelerating the Recovering and Increasing Sustainable Economic Growth](#) will increase proportionately and be supportive of, and consistent with, UHI curriculum strategies and plans.

We will be a merged college with energy, broadened influence and heightened determination, playing a pivotal role in the social and economic regeneration of the communities it serves. In partnership, and driven forward by innovative strategic leadership, we will progress the recently published [Scottish Government's National Strategy for Economic Transformation](#) mutually reinforcing five key bold policy programmes of action. In that policy context, our curriculum and supporting resources will respond, adapt, modernise and flex to make a unique and sustainable contribution in creating entrepreneurial people and culture, new market opportunities, productive businesses and region, a skilled workforce, and a fairer and more equal society. We will find more effective ways of ensuring that the most under-represented sections of society, and those in poverty, have fair, equal and wide-ranging access to programmes and provision so that everyone may be part of a 'can do' Scottish culture.

Our existing and new stakeholder relationships across the Highlands and Outer Hebrides will ensure that our curriculum strategy, delivery, and review is informed by that collective voice and that it maximally addresses social and economic need. We will engage vociferously with existing partnerships and build upon the work of our constituent parts to extend our reach, influence, and impact as a different entity.

Our close working relationships with local authority partners, Comhairle nan Eilean Siar and Highland Council, key stakeholders and employers will focus our influence and increase our connectedness to the broad general education and senior phase. This will create a more seamless learner journey whilst ensuring clearer learner entitlements.

Virtual school/e-Sgoil provision will grow by building upon existing work with local authority partners, supported by our relationship with Developing the Young Workforce (West and North Highland and Outer Hebrides) in delivering online education to pupils

across and outwith our regions. In turn this will also link to our community learning aspirations, digitalising wider content and ensuring as wide a reach as possible across our communities.

Our existing partnerships with Skills Development Scotland (SDS) and Highlands and Islands Enterprise (HIE) will extend to ensure that we use the best range of evidence to plan and review our curriculum in support of our economic, employment and skills infrastructure across our rural and islands communities.

Our tertiary curriculum will complement our Gaelic strategy and plan as well as our research and knowledge exchange strategy. Responding to the [National plan for Scotland's Islands and National Gaelic Language Plan](#) and upcoming UHI Gaelic Language Plan we will extend and further strengthen our work with key partners Bòrd na Gàidhlig, Comhairle nan Eilean Siar, Ceòlas Uibhist, Highland Council, Sabhal Mòr Ostaig and a range of community partners. That will serve to cement our leading position developing Gaelic language and Gaelic medium curriculum across the Highlands and Outer Hebrides.

We will focus on key areas of international higher education recruitment, specifically in areas such as adventure tourism, golf, equine, gamekeeping, environment and engineering.

As academic partners of UHI our merged college will continue to engage with, build upon and shape our curriculum offer through the lens of UHI curriculum review activity. The UHI curriculum review includes further and higher education and aims to create a more sustainable curriculum that supports our students, staff and communities and will work across the three key themes of rebalance, enable and futureproof over the next five years. We will work alongside the Islands Strategy, ensuring outputs from Island Skills Audits are integrated into our new curriculum.

5.3 The Demographics and Curriculum Requirements of our Region

Our college will serve a sparsely populated region, with population decline predicted. We have fewer 16–24-year-olds and an aging population when compared to the national picture, and unemployment rates that suggest barriers to employment for our young people. Our regions have a higher dependency ratio than the national figure and higher than national levels of self-employment in small to medium sized and micro businesses. Further demographic background is provided in Appendix 3.

Our tertiary curriculum will meet the needs of these demographics whilst responding to our key drivers and stakeholders. We will develop the skills required by our young people for future careers in the region, retrain and reskill older workers for changing employment sectors and for working for longer before retirement.

By developing a broader strategic reach through more partnership arrangements, we will play a key role in developing and sustaining inward attractors to repopulate our region and local programmes. People need training, but they also need well paid jobs and decent housing if they are to remain in or migrate to our regions and we view our role as being proactively supportive of regeneration.

The curriculum will serve all populations and support contributions to the cultural and social wellbeing of our communities. Our training in support of large business, SMEs and micro-businesses will be high quality, relevant, meet changing needs and accessible. Within two or three years we want to be the trainer of first choice for as broad an industrial and public sector as our resources and talents will allow.

5.4 Key Priority Sectors for the Merged College

By combining our unique and complementary strengths, specifically in Wind Energy (North Highland), Green Hydrogen (Outer Hebrides) and Advanced Manufacturing (West Highland), our merged college will more effectively deliver a demand-led, coherent educational, training and research curriculum across our geographical area. We will align into coherent groupings to take advantage of and promote new synergies with overall aims of building on established expertise, encouraging innovation, and more effectively sharing best practice.

Renewable and Green Energy

5.4.1 Renewable and Green Energy

Renewables will be our key focus for curriculum growth and is projected to increase in terms of further education provisions for the senior phase, technical and trades levels, the apprenticeship family and undergraduate and taught postgraduate degree provisions. To support the increase in job opportunities across the sector.

The major developments in Renewable and Green Energy across our region will provide economic regeneration and significant opportunities of our single merged college to work cohesively and in partnership to provide education, skills training and research and development as the education provider of choice for the industry. Existing strengths and expertise in energy engineering provides a solid foundation to further develop our curriculum to meet the expanding need of the Renewable and Green Energy sectors.

Key Opportunities:

- To collectively and strategically coordinate our curriculum offerings to support the identified key renewable and green energy opportunities in our region, building on economies of scale to be best placed to provide a leading and comprehensive range of education, training, reskilling, upskilling, research and development to support business and supply chains in the development of Renewable and Green Energy:
 - [Stornoway Port](#) – deep water terminal, hydrogen driven energy hub, onshore/offshore wind production.
 - [Nigg Energy Park](#) - deep water quayside loading facilities, covered fabrication and assembly, dry dock, paint and blast shops and materials warehousing.
 - [Kishorn Port](#) - aquaculture services, warehousing, fabrication and decommissioning, offshore wind renewables and energy transformation, quarrying with quayside facilities, deep water anchorage and dry dock facilities.
 - [Opportunity Cromarty Firth](#) - offshore wind deployment, floating wind turbine, advanced manufacturing, operation and maintenance and green hydrogen

- [Coire Glas development, SSE Renewables](#) - large-scale pumped hydro storage scheme.
- [ScotWind](#) – offshore wind leasing with four sites directly off our region's coastline with possibility for Renewable Energy Academy based in Thurso.

Curriculum Development:

- To drive our curriculum planning towards increased education, skills and training to support on/offshore wind and hydrogen technologies installation and maintenance; floating wind turbine advanced manufacturing, operation and maintenance; and green hydrogen.
- To build on existing expertise and delivery in battery cell and electric vehicle (EV) charging technologies to expand our delivery of further and higher education curriculum that supports the expansion of EV charging networks.
- To (in a complementary way) shape our curriculum to harness the skills used in traditional industry to further support the transition to green energies, such as mechanical and electrical engineering, fabrication and welding.
- To build a relationship with Harland and Wolff's Arnish fabrication yard (Stornoway) supporting the training of apprenticeships alongside fabrication and renewable energy sector upskilling, reskilling, degree education and postgraduate research.
- To build a relationship with Kishorn Port to provide a high-quality platform for a wide range of upskilling, reskilling, research and business developments this project will need to support it.
- To grow curriculum in partnership with other academic partners and businesses to further support the onshore infrastructure requirements of fabrication, operation centres, sub-stations and electrolyser and hydrogen storage. Our support of these major developments will also include education, research and skills training for supply chain businesses essential to ensure success.
- To build on our existing strengths in energy engineering and membership of *DeepWind*, the North of Scotland offshore wind supply chain cluster, to bring benefits across our merged college's regions.
- To deliver a broad range of energy qualifications and drive future curriculum developments through our specialist facilities within the internationally recognised Environmental Research Institution (ERI) in Thurso, the developing Innovation and Technology centre in Stornoway and the Nigg Skills Academy.
- To become a [Global Wind Organisation trainer](#) for wind turbine manufacturers and operators to create a sector best training centre that is mobile, scalable to industry needs and provides a single point of contact for all wind turbine engineering and maintenance skills development.

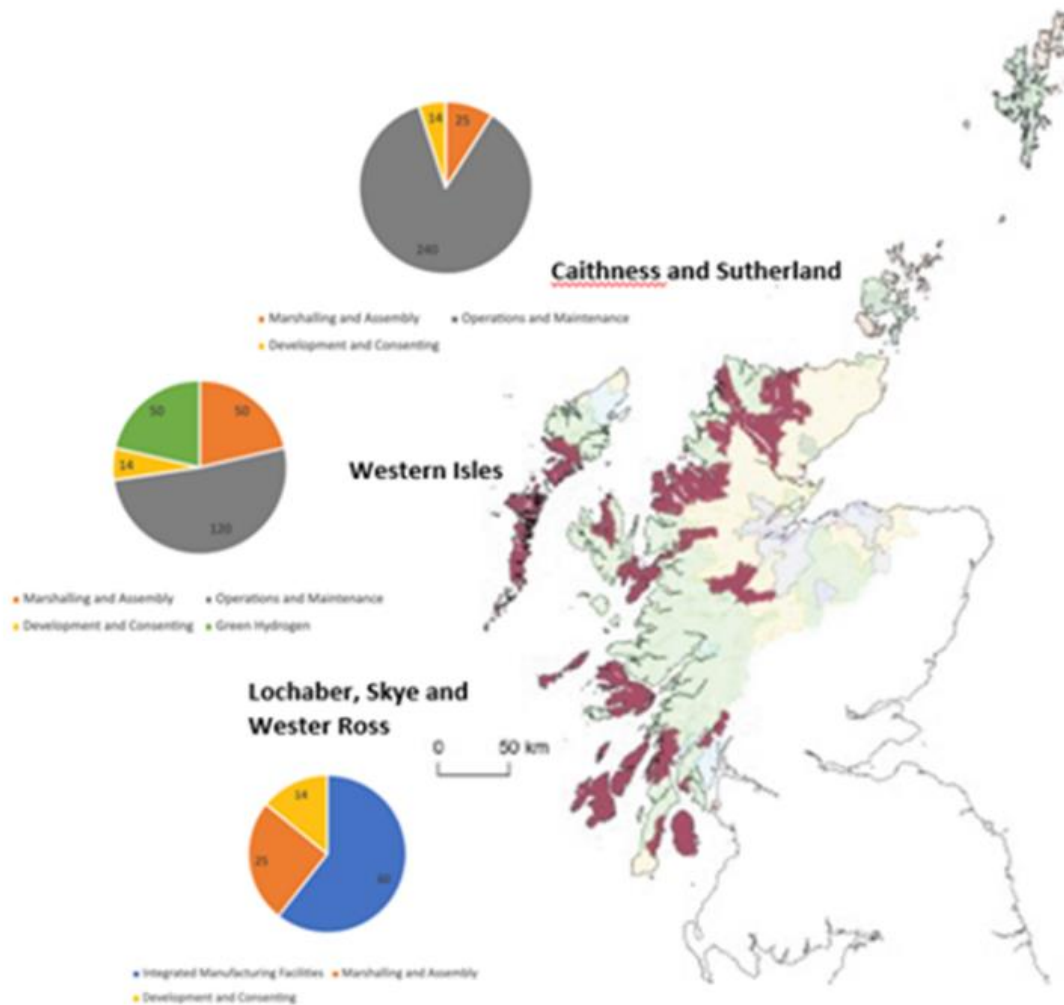


Figure 5.1:
Estimate of ScotWind direct jobs based on SCDS initial assessment

Gaelic Language

5.4.2 Gaelic Language

Gaelic language is spoken by native and non-native speakers across Scotland and the Outer Hebrides currently has the highest concentration of native Gaelic speakers in Scotland. Recent research has shown that there is a need to revitalise and develop Gaelic language, culture and heritage in local communities with the [National Gaelic Language Plan](#) identifying key interlinking aspects of Gaelic development, setting out several priority action areas for the growth of the language. Research, including current research led by UHI's Language Sciences Institute, has shown that an increased emphasis on community-focused language policy is essential for the revitalisation and development of Gaelic. We will therefore develop our Gaelic Language Plan in partnership with our schools, communities and key stakeholders and work alongside UHI

Sabhal Mòr Ostaig to create a pipeline for young people looking to progress into degree level study. This will increase opportunities for school pupils to achieve National Qualifications in Gaelic by working closely with school and education authorities.

Additionally, a shortage in Gaelic teaching across Scotland has been identified and the merged college would be looking to be part of a task force to tackle this problem. This could include the development of new curriculum, flexibility within current curriculum and links with Cnoc Soilleir to provide possible periods of immersion in Gaelic speaking communities for online students.

UHI Outer Hebrides currently delivers a range of further and higher education Gaelic language education online and in-person, to students within the Outer Hebrides and across Scotland. This includes the delivery of three Gaelic-medium undergraduate degree programmes, being the lead college for BAH Gaelic Scotland, providing online and in-person community classes across the islands, bespoke courses developed in response to employer requirements and residentials developed in collaboration with community groups.

As a key area of specialism that the merged college wishes to grow, the merged college will be looking to expand our curriculum offer by securing new areas of activity and supporting the growth of our Gaelic curriculum in the Outer Hebrides and across our regions.

Key Priorities:

- To drive forward the availability of Gaelic education across the Outer Hebrides, Lochaber, Skye, Wester Ross, Easter Ross, Caithness and Sutherland regions.
- To support the development of language skills and education through working with heritage and community groups to protect and further develop Gaelic as a community asset.
- To build partnerships, including those with Bòrd na Gàidhlig, community organisations and Ceòlas on the Cnoc Soilleir project to create opportunities that develop stronger interdisciplinary activity between Gaelic language, culture and heritage and accredited short course provision in Gaelic media and the creative industries.
- To ensure that a link is made between Gaelic and employability skills, actively engaging with younger Gaelic speakers to gauge their needs.
- To increase enrolments on Gaelic medium teacher education qualifications particularly at primary but also at secondary levels to serve the existing and future demand within our region's schools (moderately estimated to be circa 225 - 300 new teachers in the next five years).

Curriculum Development:

- To introduce a Gaelic medium education (GME) early learning and childcare course to meet the needs of employers who have had no access to such provision within statutory 1140 hours parent entitlement.
- To increase the offering of undergraduate GME Initial Teacher Education courses ensuring it is as flexible as possible.
- To align with the UHI Gaelic Language Plan, supporting the development and delivery of:
Short online and in-person language courses

Part-time Gaelic Medium PGDEs
New digital courses in Gaelic
A four-year UG route for primary and secondary teacher education
Enhancing Gaelic provision for health, early years and childcare professionals, especially across the Outer Hebrides.

Engineering and Advanced Manufacturing

5.4.3 Engineering and Advanced Manufacturing

We will build upon our existing strengths in electrical and mechanical engineering. We will ensure sustainable growth in modern apprenticeships in electrical installation, enabled through our relationship with The Engineering Construction Industry Training Board (ECITB). Additionally, we will strengthen collaborations with local employers and provide engineering courses from access level through Modern Apprenticeships, higher national certificate and diploma, undergraduate degree and taught postgraduate levels.

Key Priorities:

- To seek new opportunities to support education, skills and training for vertical satellite launch technology in Sutherland.
- To link the Advancing Manufacturing Centre in Fort William to local business and communities to generate and support research and skills development for small and medium sized businesses.
- To stimulate growth through our state-of-the-art facilities at the Engineering Technology & Energy Centre (ETEC) in Thurso via the Dounreay nuclear decommissioning and associated supply chain developments that support the decommissioning sector.

Curriculum Development:

- We will focus on developing the next generation of Higher National qualifications in engineering, develop work related engineering and energy specific undergraduate taught degree programmes, online delivery, and work to shift the gender imbalance that persists across our engineering curriculum. We project growth at SCQF level 7-11 across these curriculum areas.
- We will grow project fabrication curriculums to support the offshore wind sector.

5.4.4 Built Environment

Our built environment portfolio includes carpentry and joinery, built environment, construction crafts, technician programmes and construction management within further and higher education curriculum. CITB (2021) reports that demand regionally for construction skills is recovering as we emerge from Brexit and COVID-19.

Key Priorities:

- To meet demand for apprenticeship programmes across our region in construction through joint and multi-location delivery.
- Support the skills pipeline by developing our further education curriculum pathways to apprenticeships whilst maintaining a strong focus on higher education in construction management.

Curriculum Development:

- To build our renewable energy curriculum as the demand for associated construction trades skills will increase to support, for example, the retrofitting of green energy solutions in domestic and commercial settings. This will include solar PV, ground source heat and the switch from oil fired heating to hydrogen and the growing demand in micro renewables, energy efficiency and smart metering will drive curriculum choices and future expansion plans.

Hospitality, Food and Drink

5.4.5 Hospitality, Food and Drink

Hospitality, food and drink are vital employment and manufacturing sectors across our region. Our merged college will operate within regions containing world famous distilleries producing the finest whiskies and gins. From Dornoch, Tain and Carbost to Tarbert and Uig, our single merged college will be better placed to support these economic generators with education, skills, and training for the existing and future workforces.

Key Priorities:

- Our support of local business will strengthen communities through accessible hygiene qualifications in food safety and maintain a strong corporate commitment to on-site professional kitchens and training restaurant facilities. Through that medium we will offer up to date knowledge transfer and first-hand training experiences possible within our geographical area.
- To further develop and promote local business, and to link with our land, sea, and environment curricula, we will increase the use of locally sourced and on-campus grown produce in our training curricula and menus.

Curriculum Development:

- We will extend our existing external partnerships and curriculum expertise and increase our focus on developing a streamlined curriculum across professional cookery, bakery, hospitality supervision, leadership and management from SCQF levels 4 to 10.
- We will further develop progression pathways for SVQ and associated qualifications.
- Concentrate on further developing flexible, networked and part-time deliveries of our qualifications.

Leisure and Adventure Tourism

5.4.6 Leisure and Adventure Tourism

Adventure tourism is economically important across our regional economy and an inward attractor. Our merged college will build upon existing strengths to support this sector. Our adventure studies curriculum, based in Fort William, delivers further education programmes and undergraduate degrees in tourism, adventure and marine sectors and our £2 million golf facility based in Dornoch offers world leading Golf Management courses.

Key Priorities:

- The development of new pathways and linkages across our regions to expand the learning experiences and benefits for practical activities, making best use of the range of facilities, coast and landscapes across the region.
- The further commercialisation of our Dornoch golf facility, a purpose-built indoor training centre where PGA-qualified and golf business staff are developing partnerships with high profile courses and equipment manufacturers

Curriculum Development:

- Within the existing infrastructure, support cultural tourism and postgraduate opportunities.
- Review and redevelop curriculums in golf and adventure tourism to make use of our region expanding multi-locations courses featuring the best of what our region can offer.
- Increase activity across existing leisure and adventure tourism curriculum with renewed focus on extending its reach across our unique region with a focus on the international market.

Land, Sea, and Environment

5.4.7 Land, Sea, and Environment

The Scottish Government's [Scotland's Third Land Use Strategy \(2021-2026\)](#) exemplifies the importance of sustainable land and marine development across our natural capital. It aligns an array of strategies, funds and developments to guide sustainable development and two of the newly created Regional Land Use Partnerships (RLUPs) are within our regional area. The strategy outlines the importance of sustainable land management, tree planting, peatland restoration, machair management, crofting and farming as well as marine activities including fishing and aquaculture.

Key Priorities:

- To market to rural and island communities internationally to attract postgraduate students onto our multi-locations, place-based qualifications in sustainable development, sustainable rural development, rural community development, archaeology, and geography.
- By nurturing a more strategic partnership with Highland Council and other key players, to increase apprenticeships and skills training for medium sized and micro businesses engaged in this sector and grow our postgraduate curriculum and research.

Curriculum Development:

- To regionally connect our further and higher education curriculum for land-based studies which include gamekeeping, rural and countryside skills with deer management and ranger training, horticulture, and crofting. Programmes offered in Thurso, Fort William, Broadford, and Stornoway will be connected to increase the synergies, relevancy, experience and accessibility for all our students and key stakeholders.
- We will align our curriculum in deer management, rural skills, forestry, and sustainable rural development to better support the strategic objectives for forest

management and conservation, developing new curriculum opportunities and pathways, working with UHI Scottish School of Forestry.

- We will continue to build on our expertise across the curriculum, and project a medium growth in further and higher education enrolments in crofting, rural skills, sustainable development, land management, maritime and aquaculture. As we look to the future, strategies and associated government funding aligned to tree planting, peatland restoration and Machair regeneration will create strong opportunities for further curriculum growth.

Creative and Digital Industries

5.4.8 Creative and Digital Industries

Our creative and digital curriculum remains an important part of our curriculum provision and we offer a broad range of programmes from SCQF level 5 to 11 in areas including music, sound production, film making, creative writing, art and design, fine art, textiles and fashion, jewellery, photography, digital media, web development and interactive media.

Key Priorities:

- To seek modest growth in these areas.

Curriculum Development:

- To expand the volume of our creative and digital programmes (particularly in sound production and music) delivered through digital technologies to open up courses to a wider audience.

Health and Social Care

5.4.9 Health and Social Care

Health and social care remain significant and popular areas of the curriculum across all partner colleges and our merged college will retain this focus to meet the current and growing demand. We predict medium growth in our health and social care curriculum to meet the expected increased employment demand but will review the manner in which we deliver our individual curriculum to support increases in average cohort size and ensure delivery efficiencies.

Key Priorities:

- We will further develop our existing strategic relationships with NHS Highland, NHS Western Isles and NHS Education Scotland (NES) to expand workforce skills training and broaden research and knowledge exchange.
- To closely link to the Islands Strategy theme on health and wellbeing.

Curriculum Development:

- To develop programmes, continuing professional development courses and micro-credentials to support the upskilling of existing workforce to meet the increasing

demands of digital enabled healthcare and telehealth.

- To enhance part-time, flexible, digital delivery to widen accessibility for our rural and islands communities.
- To focus on digital skills training in managing health care and develop high quality digital systems to open additional market opportunities beyond our geographic catchment.
- To ensure our curriculum reflects changing nature of the technological skills required.

5.5 Academic Benefits of Our Merged Curriculum

- Multiple academic entry points serving a locally relevant but more regionally coherent curriculum, opening a greater range of options and choices to current and potential students and employers.
- The retention and enhancement of existing specialisms will be extended through the now formal collaborative expertise each partner brings to the table with new opportunities to be explored to meet the greater strategic priorities and influence of the new institution.
- New, broader synergies, newly emerging regional and national opportunities, and the implementation of the absolute best practices in learning and teaching, student support, career guidance and business gateways.
- Curriculum planning, review and development will be more coherent and systematic across the region and sensitive and responsive to wider challenges and synergies.
- Existing curriculum policies, practices and processes will change or be replaced where that would enhance the institution and we will take a wide view of what best practice should mean for the merged college.
- New roles and responsibilities will be supported through focused and targeted continuing professional development and re-skilling into areas; staff training and development will be a high priority during the initial transition year.
- Staff will play a part through the overt development of useful connections and influences that feed into curriculum planning.
- Key partnerships, including those with students and student representatives, will play a much greater role in reviewing and shaping the curriculum.
- Reflection of professional practice and the systematic review of learning and teaching will assume more central roles in curriculum development and will promote a greater sense of professional satisfaction, responsibility, and accountability.
- On-going curriculum review and development will ensure the relevancy of the curriculum and its greater reach and depth will more significantly leverage individual and structural economic development.
- Building on existing best pedagogy and by using more effective digital learning platforms, the learning experience and its availability will be improved and extended considerably.

5.6 A Learning, Teaching and Digital Skills Strategy for the Merged College

The merged college will build upon learning and teaching excellence across the UHI partnership. A strategic group focussing on learning, teaching, assessment, and student experience will identify and make comprehensive use of existing exemplary practice. This collective experience, and the added synergies that will emerge from it, will be the

foundation for forward-facing educational leadership determined to take the bold, imaginative, and innovative steps necessary to keep the curriculum relevant and sustainable.

We will appoint best practice practitioners to model and lead teaching practice enhancement founded on the [UHI Learning and Teaching Enhancement Strategy's](#) twelve enhancement values. A united and coherent team will have the collective experience, greater capacity, and increased motivation to form a stronger unit to mentor and support others. In common with every other member of staff in the merged college, the determination to improve the learning experience will be the primary motivating force.

We will seek further opportunities for extending our curriculum through digital means to reach wider audiences across both further and higher education. We will make systematic use of digital evaluation tools to enhance learning and teaching practice and to inform curriculum planning processes and, will make more effective use of a variety of digital technologies - including immersive technology, virtual and augmented reality. Our digitally enabled facilities within Newton rooms, our immersive classrooms and our specialist facilities will facilitate innovative learning and teaching solutions far beyond the current capability of any individual college partner.

The new region will benefit from the expansion of the existing and award-winning virtual school model of delivery to open doors for more people from small and often geographically isolated communities across our regions. A wider range of potential students can learn entirely online, and while that presents the merged college with a distinct student support challenge, we will ameliorate that head-on.

We will expand the employer endorsed Skills+ portfolio across different areas of provision, incorporating digital literacy, entrepreneurship, meta skills, work-readiness, net zero, wellbeing and resilience, equipping students for future jobs, changing career paths and diversification.

Our learning, teaching and digital skills strategy will complement our student experience strategy and will be underpinned by our estates, ICT Infrastructure and people and culture strategies and plans. Through the estates strategy we will develop a single standard for digitally enabled and flexible learning spaces, which encourage collaborative, multi-purpose, and joint venture learning.

Our physical and virtual estate for learning will adapt in support of strategic priorities. In the short to medium term, investment will be sought to standardise access to our high-quality digital learning facilities across all delivery locations and our new digital learning and teaching, ICT Infrastructure and estates plans will align to deliver innovative and engaging learning experiences.

5.7 Supporting Existing and Future Business

Across our curriculum, and especially within our key priority growth sectors, our merged college will plan and review on a regional basis, an expansion of work-based learning, the apprenticeship family, continuing professional development, professional and occupational competency certificates, and micro-credentials. We will grow our curriculum to support medium, small, and micro businesses, support the growth in individual small

business start-ups, development of entrepreneurial skills, client-driven skills, and the range of skills necessary to operate these businesses.

We will seek to expand our delivery through Flexible Workforce Development Funds (FWDF) and non-SFC funding streams. By combining, developing and expanding our established expertise, our merged college will meet these needs on a coherent and responsive regional basis.

Third sector organisations are increasingly on the front line responding to unmet community need. In this growing and multi-faceted role, the third sector has become an increasingly significant strategic partner to the college sector. An effective, efficient and sustained relationship with a college determined to make a difference to the skills and training within its communities, creates a new dimension that can add value and depth to existing third sector support mechanisms and structures. The third sector will be a strategic focus for our merged college, and we will develop appropriate partnerships to maximise the benefits joint venture will realise. And, by more systematically integrating third sector services within existing and new college structures, our student support package will broaden and strengthen significantly.

5.8 Centres of Excellence and Specialist Facilities

Distributed across our 19 locations, we have well established centres of excellence that deliver flexible learning and teaching, innovation within the community, research and knowledge exchange regionally, nationally, and internationally. Our diverse centres are fundamental in attracting local students onto our programmes and meeting the educational needs of the communities they serve through developing courses to meet local needs. In addition, several of our locations provide essential supported learning opportunities to students with additional requirements within our communities and provide key social spaces to bring our communities and students together. It is envisioned that our learning centres, with their excellent broadband connections, will increasingly be used by business as high-tech digitally accessible hubs generating a new source of income.

Our unified and more coherent new structure will generate cross fertilisation of expertise and the development of shared research and projects across centres. Centres of excellence will form a network to increase our scope and reach, and by identifying and supporting synergies between centres within a hub and spoke model, we will increase innovative practices across delivery locations. Our merged college and specifically our centre managers will be better positioned strategically and operationally, empowered to develop additional projects that benefit the local area and support community economies.

With funding support through the confirmed Islands Growth Deal and the £2million redevelopment of the Stornoway campus, the *Technology and Innovation Centre* will build upon the success of the established *Innovation Centre*. The new centre will continue to support local business and students in enterprising business start-ups through electrical testing and development equipment. We will develop new facilities and technologies to make more learning opportunities available online and further support learners to access materials digitally and more effectively through mobile equipment that can be utilised across our smaller learning centres. The centre will include a Newton

room, immersive classroom and mobile facilities and technology, each designed to improve the student learning experience, reduce current barriers to accessing learning, and expand learning opportunities. Strengthening links with schools and providing clearer learner pathways into college, university or work will be priorities and focus particularly on promoting and facilitating training and education in STEM subjects.

The *Advancing Manufacturing Centre* in Fort William services the needs of business and communities by supporting innovation, design, new processes and manufacturing. The centre provides professional services related to research, development, design and manufacturing and offers 3D scanning, CAD and CAM, 3D printing, and machining on a range of advanced CNC equipment (computer-controlled lathe / cutting machines). From a CNC plasma cutter or wood router to a state-of-the-art 5-Axis milling machine that is the first of its kind in Scotland, businesses have unparalleled opportunities to gain experience of this equipment in a sand pit environment. All the services are free to use which means businesses can create prototypes to take to the market at minimum cost. The learning suite shows businesses how Industry 4.0 and automation could benefit their operations.

The *School of Adventure Studies* is the only centre in Scotland with a choice of four degrees and progression opportunities in school and further education. Located in the Outdoor Capital of the UK, Fort William, the outside classroom has everything within a short distance from the outdoor store, specialist lab equipment and indoor classrooms.

The *Centre for Recreation and Tourism Research* (CRTR) in Fort William is one of Scotland's leading tourism research centres. The centre focuses on academic and applied research and participates in trans-national projects and co-ordinates the activities and membership of the global Adventure Research Association (ATRA).

The *Engineering, Technology and Energy Centre* (ETEC) in Thurso is a 3,600 square metre specialist facility dedicated to the delivery of engineering programmes and modern apprenticeships. Our large engineering and fabrication workshops have digitally enabled education zones for specialised delivery of learning and teaching.

The *Centre for Golf* in Dornoch is home to the golf curriculum. It is a purpose-built facility with a large putting surface and three swing bays. It features SAM Puttlab, Trackman swing analysis and simulator studios, GASP camera and pressure plate systems, GCQuad Bay, Zen Greenstage and PuttView training technologies that support the training of students in the virtual realm.

The *Rural Studies Centre* in Halkirk houses the equestrian, veterinary and gamekeeping curriculum. Its specialist facilities include international sized outdoor and indoor areas, three high specification classrooms and conference suite, and a veterinary nurse training area with theatre, kennels, preparation room, isolation area and consultation rooms.

The *Environmental Research Institute* (ERI) in Thurso includes three laboratories and conference suite generating innovative environmental science research. The £3 million purpose-built *Centre for Energy and the Environment* (CFEE), also in Thurso, is equipped with office space, conference rooms, workshops and specialist laboratories for learning and teaching.

UHI West Highland developed a case for a *STEM Centre* in 2015 founded on significant planned growth in STEM subject delivery and submitted an outline business case to the SFC in 2017. We will refresh that case because of commercial developments in the near area including Coire Glas scheme, Glensanda and further afield Kishorn Port and Dry Dock. The STEM centre will deliver relevant further and higher education curricula linked closely to local business needs. This inspirational asset will generate interest and drive recruitment into technology, design and science subjects and be a major resource for employers and employees equally.

The PowerHouse in AIness will play a vital role ensuring that highly skilled jobs needed in the floating offshore wind and green hydrogen sectors are realistically available to local people. It will additionally create more synergies between research and industry as we develop innovative, modern technologies on Scottish sites.

6.0 Student Engagement: Our Vision for Student Experience

The merged college will deliver an excellent student-centered model for non-academic student support services that are student centered and actively engage our students in all aspects of their learning. We will continue to develop all our existing services to offer an equitable study experience based on the student journey across all modes and levels of delivery regardless of where, when, or how a student chooses to study with us. We believe this will offer a strong sense of belonging and engagement for our students and allow them to identify with their course, their peers, the college, the university, and their community.

The college will promote a holistic approach to student engagement and experience. We will link all our services to ensure they work together to plan and deliver a student experience with an emphasis on the student voice. We will work alongside HISA to ensure students are represented within all that we do. All who engage with the college will experience a culture of partnership that offers ease of access, is equitable and values the contribution of the individual as well as their diverse support needs. Students will have access to trained and professional support teams who will offer information, advice and guidance that is inclusive, current, relevant, and accessible and will guide them to the best learning experience for them to suit their ambition and circumstances from the point of enquiry to graduation and beyond.

6.1 Realising our Vision

We acknowledge the challenge of providing a consistent service to all our students across 19 locations with variable facilities and curriculum. Through coming together, we will be able to ensure more resilient student support teams coordinate activities and build/expand best practice to ensure a standardised and excellent student experience.

Should our students choose to attend one of our community-based learning locations they will be welcomed in to learning spaces set within areas of outstanding natural beauty. Being geographically dispersed across a unique region, this gives us the advantage of being able to attract students to the region but also to offer local opportunities for young people to stay within their communities and learn and contribute. It is important that our student support services are developed to support the needs of all our students and a merged support service will allow us to develop a more resilient approach, we will:

- Strengthen the partnership with HISA and work with them on putting the student voice at the heart of the organisation.
- Develop specialisms in areas such as learning support, mental health and wellbeing, student finance and study support to offer access on a more consistent basis.
- Develop on-line support systems across these areas, building on the work that has been started to support on-line learning during the covid pandemic.
- Move away from small teams or lone workers working in isolation and offer them access to a wider support network which will ensure more consistent information, advice, and guidance for all students regardless of place.
- Ensure a consistent approach to staff training and the development of skills and offer access to peer support.

- Develop a new model of guidance and support the implementation of Target Connect (on-line guidance platform) in line with the UHI single policy environment.
- Implement an equitable model for the delivery of student financial support with consistent decisions on the access to and allocation of student support funds.
- Apply policies and procedures on a more consistent basis especially in relation to equalities and safeguarding.
- Ensure our teaching and learning approaches suit our diverse range of students, taking into account additional support needs and that online education does not suit everyone.
- Recognise that good transitions are key to successful students by supporting our curriculum colleagues in the development of strong induction, on course and pre-exit programmes.
- Maintain and develop external partnerships appropriate to the development of our services.
- Re-focus on how we market ourselves and do this in a consistent and supportive way across our curriculum and learning centers.
- Supporting our academic staff in fully advertising the curriculum they offer to a diverse range of applicants.

Having one student service team for the merged college will bring resilience and enhanced service delivery through the development of a new structure and model. It will allow for better use of existing resources and cut down on duplication of reporting. It will allow us to better meet the requirements and implementation of Scottish Government and Scottish Funding Council initiatives and free up time for face-to-face delivery to students through the benefits of economies of scale. We will work together with the aim to deliver an innovative, flexible, and accessible service which can efficiently adapt to the future needs of our students.

7.0 Research: Our Merged Vision for Research

7.1 Research Background and Introduction

Each partner college undertakes research, scholarship, knowledge exchange and business development activity at different levels of maturity. Key areas include environmental sciences, digital technology for education and sustainable tourism. Research across the partners is supported through a standardised UHI framework which provides business development, infrastructure, and administrative support. This framework provides a consistent base for collaboration and development, as well as opportunities for new growth, streamlining, and nurturing areas of excellence. The merged college will draw on this framework to consolidate and enhance its research portfolio, develop further links with other colleges across the UHI network and allow it to take a lead within some areas for UHI such as net zero research. Opportunities will be strategically managed to support and enhance the collective educational offer which will be refined by the curriculum team.

While there is a solid research foundation within the partner colleges, the areas of specialisation and the number of research active staff vary substantially. UHI North Highland has specialist involvement in environmental sciences through the Environmental Research Institute (renewable energy and the environment; carbon, water and climate; environmental contamination; net zero and ecological health; environment, economy and society); UHI Outer Hebrides has a specialist interest in digital technology for education in the Centre for Online Research and Education (CORE); and UHI West Highland has a speciality in sustainable tourism development through the Centre for Recreation and Tourism Research (CRTR). Additionally, there are areas of less developed research activity in all colleges, with small teams interested in areas such as advancing archaeology, health and wellbeing, Gaelic and engineering.

Both UHI Outer Hebrides and UHI North Highland have a small but steadily expanding cohort of research students, both at master's (101 FTE) and doctoral level (19 FTE). While limited PhD supervision is undertaken at UHI West Highland; there is significant potential to increase the capacity while developing wider projects linked to tourism as a result of the proposed merger.

Alongside the educational reasons for merging, there are several procedural, logistical, and economic advantages within the research environment. For example, while there is already a certain level of inter-college collaboration in networked teaching, any involvement in inter-college administrative and support services for research is subject to VAT, which can be prohibitively expensive when bidding for external research contracts. Future collaboration of this nature would not be penalised by additional VAT charges within the employment of a single institution.

In terms of Research and Knowledge Exchange, the merger presents several clear opportunities that are currently constrained by administrative and financial circumstances. These include:

- To create a strong, directed research culture in the merged college
- For students and staff to become research active
- To strengthen existing and create new specialisms and synergies

- To have a positive impact on research-teaching linkages in the curriculum and the REF
- Streamlined project management and shared contacts with external partners
- Facilitation of new, cross-disciplinary research and knowledge exchange opportunities
- Improved critical mass of engagement and pool of research staff to enable better competition for funding
- Potential to develop and innovate teaching provision and reputation based upon state-of-the-art research
- Enhanced institutional profile through better communication of the research impacts for local business and organisations.

The merging partners have already scoped a 'Joint Research & Knowledge Exchange Committee' (RKEC) to help address these opportunities. This committee will have oversight of strategy and policy, for ensuring efficacy and performance enhancement in research, knowledge exchange, and innovation activity, and ensuring compliance across the new structure to align with the delivery of the UHI Strategic Plans.

7.1.1 Research Excellence

The merged college will concentrate on a small number of specialist disciplinary areas (i.e., environment including net zero initiatives, digital education) and to ensure that the outputs from these have multiple benefits for the institution, e.g., commercial application, income generating, UK leading reputation, and research led teaching.

Contemporary access to external research funding favours a rapid response and ability to scale-up by forming larger collaborations, the merger will provide a greater critical mass to help achieve this. To compliment a more flexible structure for research management is proposed, with the new institution having a single Head of Research and supporting part-time Research Co-ordinator roles across the campuses. This will support and drive a single vision for the research culture, while ensuring regional delegation. It is envisioned that through the rationalisation of the merged colleges teaching curriculum and a joined-up approach to the delivery of teaching, existing staff potential will be released to undertake research and seek/secure targeted funding to implement research on a sustainable basis, rather than rely upon opportunistic or sporadic bids.

The updated research focus and restructured teams (Head of Research and Research Coordinators) will better support the merged college to build on the REF2021 outcomes, and ensure a cohesive approach to increasing the quality of research outputs for the next REF. This will be achieved in three keyways: targeted funding, cross-disciplinary initiatives, and capacity building through co-ordinated staff development activities. The new structure will also promote better opportunities for the clearer articulation of REF impact case studies, describing examples of significant change, or benefits to the culture, economy, environment, health, public policy, or quality of life in our society using relevant qualitative or quantitative evidence provided because of our research.

7.1.2 Creating Capacity

To elevate the importance of research in the new institution we will enrich the quality and conduct of our research through growing the ability to engage effectively in strategically important academic areas (including improving links between related disciplines (i.e. linking digital and environment to create online programmes in renewable energy, green

hydrogen and decarbonisation and linking digital and health and wellbeing) to form new areas of activity and pre-emptive staff development supporting them directly to enhance their research skills (such as supervision of PGRs, grant application writing and supporting research ideas).

With a larger internal pool of research active staff, as well as the selective mentoring of early-career researchers and relevant support staff, a significant shift in capability is possible to further our research goals. Collegial restructuring will enable a larger and experienced pool of staff to supervise research students, and to support the production of outputs such as publications, impact case studies, and knowledge exchange partnerships. These enhancements will also enable the merged college to strengthen links with other partners across UHI and with external agencies/institutions such as HIE and key funding agencies.

Reductions in internal barriers and a sharper focus on areas of research excellence will enable added-value to be shared with closer research-teaching linkages, capitalising on new research opportunities while simultaneously enhancing the currency of the taught curriculum.

7.1.3 Scholarship

While engagement with personal research may not be relevant for all academic staff, all academic staff will be involved in ongoing personal scholarship and curriculum development activities. The pandemic has presented the partner colleges a unique opportunity in highlighting their leading expertise in digital, blended, and online learning. We will translate this experience across our further and higher education curriculums through bringing together cutting-edge research, innovation, and educational technologies to enhance the student experience in a flexible manner suited to our region. There is overlap in some of the partner colleges' curriculum areas which offers the possibility to redeploy some staff to engage with the creation of new (or expanded) courses more fully, and/or to participate in related research, knowledge exchange, or commercial business activities. Although further discussions on contracts and workloads are required as part of the merger process, it is anticipated that this pivot in focus will allow openings to enable some staff to become engaged in research for the first time, and to cascade that research into excellence within teaching. This will also increase the number of staff qualifying for inclusion within REF2027.

7.2 Knowledge Exchange

Knowledge exchange encompasses the multiple interactions between Higher Education Institutions and businesses, public services, charities, and communities to create societal and economic benefit. It covers a range of activities that involve a two-way exchange between researchers and those that use research. Knowledge exchange activity typically leads to advantageous mutual impacts such as the creation of jobs, products, processes, services, culture, and improved public policy, health, environment, quality of life and an associated increase in turnover and profit. Additional impacts of knowledge exchange include gaining innovative perspectives on research and development directions or approaches, funding opportunities for R&D expenses, the enhancement of businesses and research departments, as well as helping to provide development of an innovation culture.

Knowledge exchange can result in many other activities such as secondments, placements and communicating research or the appropriate exploitation of Intellectual Property, including patents and copyright. These activities are at the heart of our collective UHI mission to have a transformational impact on the prospects of our region, its economy, its people, and its communities. Across the merging partners we have a particular focus on the topics of Water, Food and Drink, Healthcare, Energy, Aquaculture, Tourism, and the Knowledge Economy, all of which are commercial sectors fundamental to the regions served by the merged college. UHI North Highland already leads two of these seven areas (water and energy) within the UHI network, and it is anticipated that this expertise will be extended across the merged college which presents opportunity for both deepening and extending our engagement in knowledge exchange and business sector engagement through the guidance of the new Joint Research & Knowledge Exchange Committee.

Knowledge exchange fundamentally contributes to the strategies of each of the partner colleges and the merger will generate the following benefits:

A Unified Knowledge Exchange Strategy

We will establish a Joint Research & Knowledge Exchange Committee (RKEC) provisionally responsible for oversight of strategy and policy, and monitoring of their implementation, to ensure efficacy and performance enhancement in research, knowledge exchange, and innovation activity across the University, creating a knowledge exchange infrastructure that is simple, accessible, agile, and proactive.

Wider Knowledge Exchange Sector Group Participation & Practice

Collectively a merged entity would have participation in five of the UHI Key sector groups (the exception being Health) – more than any other UHI partner. Our knowledge exchange culture will be open, connected, and proactive and one which promotes mutually beneficial exchange of knowledge and expertise with those beyond academia. Equality, diversity and inclusion are critical to knowledge exchange, and we will ensure knowledge exchange opportunities and benefits are available to all, and support made available to foster and sustain knowledge exchange activities and ambitions.

Unrivalled Knowledge Exchange Sector Group Leadership with UHI

Half of current knowledge exchange sector group chairs would sit within the merged entity i.e. Benjamin Williamson (UHI North Highland) Energy; Stuart Gibb (UHI North Highland), Chair WaterHub and Steve Taylor (UHI West Highland) Tourism (interim).

Enhanced Operational Efficiency

Improved efficiency and simplification of process between a single merged entity and UHI knowledge exchange team, allowing for mechanisms for achieving knowledge exchange, such as collaborative research, contract research, consultancy services, KTPs, training, commercialisation of research (through start-up/spinouts), and public engagement.

These benefits will support:

- **Enhanced Recognition Within the Region:** Moving from a fragmented mosaic activity towards a merged entity able to provide a more coherent knowledge exchange picture across a greater geographic territory, and across a greater number of sector groups. Resulting in linkages and an innovation infrastructure which supports the impact of research and enables knowledge exchange and innovation.
- **Enhanced Regional Impact:** Universities (and thus our merged college) are key institutions for innovation and with knowledge exchange activities this will nurture local businesses, social enterprises, and charities.
- **Development of an Entrepreneurial Culture:** Drawing on support of UHI Knowledge Exchange team and best practice to collectively move to a more entrepreneurial culture. Development of an entrepreneurial mindset will create a culture of developing curiosity, persistence, and trialling that will also develop students' employability skills, linking directly to [Scotland's National Strategy for Economic Transformation](#).
- **Ability to Set a Knowledge Exchange New Agenda to Serve the Region:** Most often, definitions of knowledge exchange, such as those used by UHI, focus on 'research' i.e., activities that involve a two-way exchange between researchers and those that use research. However, we will adopt other definitions to widen the scope of the knowledge exchange e.g., activity that 'encompasses the multiple interactions between Higher Education Institutions and businesses, public services, charities and communities to create societal and economic benefit'. Activities will include partnerships with manufacturers, industry related curriculum development, work placements for students and graduate start-ups supported by incubator spaces. Adoption of such broader definitions would allow greater engagement in 'knowledge exchange' activity within the merged organisation and the potential, to engage a wider professional community in knowledge exchange, generate greater value for stakeholders and enhance impact in the region.

8.0 Business Development: Our Merged Vision for Business Development

Business development activities will be pivotal to the merged college's pursuit of its vision of being an anchor institution for the region; one which opens doors to a world of opportunity. The business development function provides a critical link between businesses, communities and the college which ensures that the qualifications, skills, and research provided meet the needs of all customers, from individual students to local industries, and in turn supports and future-proofs the regional economy.

Pre-Merger Business Development Activities

Business development staff at the three partners have to date undertaken broadly the same activities separately in each college as listed below: but they have been resourcing, managing, and implementing them *separately*.

- Managing the sourcing and delivery of bespoke commercial training to meet local industry needs; for example, H&S, First Aid, Leadership, Design Innovation and Safety Case training courses.
- Enabling companies to increase the upskilling of staff on short courses through access to the Flexible Workforce Development Fund.
- Managing the progression, qualification, and funding of Modern Apprentices in college and with their employers.
- Supporting curriculum staff to realise commercial and training ideas that generate additional income, such as private hire of our Golf simulator systems.
- Co-ordinating Employability Framework services with Highland Council and local community groups to support individuals with multiple barriers to employment, to help them enter or return to employment.
- Connecting industry with targeted Research and Knowledge Transfer solutions to address specific challenges, ranging from Innovation voucher funding for advanced manufacturing solutions needed by SMEs, or specialist consultancy such as environmental science.

Post-Merger: Opportunities & Growth

The merger will drive standardisation across business development commercial, administrative and employer engagement processes and this will create the capacity to accelerate and deliver on specialist opportunities. In turn this will significantly increase both the market viability and the scale of benefits the merged college will provide to our local communities and businesses. A combined and coordinated team will leverage efforts in support of Renewable Energy and Net Zero opportunities across an extensive geographical coverage of Northern Scotland. This is especially relevant to the three-partner college area because of opportunity resulting from the current and planned ScotWind leasing rounds around the entire rural and islands coastline; and from the Islands Deal investment in major net zero programs. It will also impact significantly on the ability of the merged college to address the corresponding region-wide skills and innovation needs in Offshore Wind, Green Hydrogen Energy, Decarbonisation, Space and the Environment.

These increasing external opportunities would exist whether the colleges merge or not, however the merged College business development function will have the increased capacity and responsiveness to capture and exploit a far larger scale and range of business development opportunities, including expansion of Modern Apprentice capacity, than the total across the three colleges that would have been possible pre-merger. This increase will be achieved by having the capacity to support and engage with several key areas of development including:

- Increased efficiency of relationship management:
 - Internally - across curriculum and research teams, to identify ideas to commercialise and innovation/knowledge transfer opportunities in need of funding or partners or both.
 - Externally - with key sectors, other UHI partners, chambers of commerce and business, enterprise, and regeneration partners.
- Leveraging the support from Energy Skills Partnership in collaboration with other UHI partners to expand training provision in Wind, Green Hydrogen, Advanced Manufacturing and Electric Vehicles.
- Pooling of expertise to increase capacity to deliver Employability Framework services.
- Identifying funding sources and submitting bids and proposals for net zero, Decarbonisation and Sustainability programs across the region.

9.0 People and Culture: Our Vision for our Staff

The skills and commitment of our staff are central to the success of the merged college. We are therefore committed to building upon our individual successes collectively, to create a whole college ethos where every role is valued, all our people are recognised for their contribution and understand their roles.

The merger process will result in change, and it is recognised that this will not always be an easy process for those involved. We therefore commit to lead and manage the change process in an effective, transparent, and sensitive way with constant and meaningful two-way communication with staff and our recognised trade unions to achieve the best possible outcomes for all.

9.1 People and Culture Strategy

We will develop a People and Culture Strategy for the merged college which will include an Equality & Diversity Plan, Human Resources and Organisational Development Plan and a Communication Plan. This will be developed in consultation with all staff, students, and union representatives to ensure that we meet both the needs of our learners, and our staff.

To ensure a successful merger we will make sure staff are informed, involved, valued, rewarded, and developed within appropriate roles to meet the challenges of the merged college and the changing landscape of further and higher education. The People and Culture Strategy will therefore set a forward-looking and ambitious people agenda, designed to sustain the merged college's success and develop and maintain a One College – One Team approach, in an environment that attracts, develops, and retains high calibre, effective and motivated staff. Our goal is for all our staff to be empowered, pro-active, enterprising and solution focused supported by structures, policies and processes which will enhance and maintain organisational performance. The merged college will continue to maintain the strength of the commitment to staff demonstrated within each of the partner colleges and in doing so, will strive to maintain the existing gold status of Investors in People. The People and Culture Strategy will be developed with the following aims:

To retain, attract and recruit high calibre staff

Ensuring that the merged college is an employer of choice, attracting the highest quality people locally and into the area, whilst ensuring equality of opportunity and working towards increasing the diversity of our staffing profile and that of the local community.

To develop, support and empower

Supporting staff to develop their skills, though enhancing current skillsets and supporting the development of new skills, knowledge and competencies. Enabling them to perform to their full potential, with each individual staff member motivated to directly contribute to the achievement of the merged college's aims and objectives.

To motivate and engage

Valuing, recognising, and rewarding staff contributions appropriately. Ensuring effective engagement, transparency, and excellent communication.

Excellent leadership and management

Develop excellent management and leadership capability, ensuring team leaders have the appropriate skills and are empowered to lead by example, creating an environment where staff and students feel motivated and can achieve success.

Creating a positive collaborative and healthy working environment

Ensuring that the merged college is a great place to work by creating a positive, collaborative, safe and healthy working environment, encouraging the promotion of health and wellbeing of our staff.

9.2 Organisational Structures

A review of the organisational structures of the three partner Colleges will be undertaken and a proposed new structure developed post vesting date. The development and implementation of this will be undertaken in consultation with staff and trade union representatives and progressed sensitively and sensibly, with minimum disruption to service provision, staff, and students. The new structure will ensure we are breaking down traditional structures to truly ensure the college works regionally and our staff have opportunity to work on cross regional activities and initiatives. We will be depending on our staff embracing the full organisational change process, and to work collectively at all levels across the region to define what their new structures should be.

There may be areas of the new structure where the number or scope of the roles is different from those at present. We will implement a fair and transparent process to manage this change, which will be underpinned by an effective appeals process. This process will be developed in consultation with staff and union representatives and, as far as practicable, staff will be matched into roles in the new organisational structure. It is not envisaged that there will be major changes to staffing levels but there is likely to be some realignment and reduction of executive management and specialist roles.

We have committed to no compulsory redundancies because of the merger process but, in the current economic climate, future levels of funding cannot be guaranteed. This merger is taking place in difficult economic circumstances which may impact on decisions regarding staffing levels in colleges across Scotland. It is our expectation that the merged college will be better placed to respond to challenges arising from these economic pressures. We will give an assurance that, if future staffing levels are affected, we will consult fully with the recognised trade unions and all other appropriate representatives and investigate all possible alternatives. These could include making efficiencies through seeking candidates for voluntary severance; part-time working; natural wastage; freezing of vacancies; retraining and redeployment.

A draft timeline of key activities regarding organisational changes is provided in figure 9.1 below as we appreciate this is an immediate concern to our staff. It should however be noted that any changes in organisational structure and curriculum will be designed and developed alongside staff and then involve full consultation with staff, students, communities and union representatives.

<p>Year 0 2022/23 (Pre-Vesting)</p>	<ul style="list-style-type: none"> • Appointment of Principal Designate • Appointment of Transition Board Chair and Board Members • Appointment of Area Advisory Committees Members • Development and sign off of merged college strategy, underpinning plans and policies • Implementation Planning for day one shared services • Development of contracts and terms and conditions for new staff
<p>August 2023 (Vesting Date)</p>	<ul style="list-style-type: none"> • Transition Board becomes College Board • TUPE of all current staff on their current terms and conditions to merged college • Implementation of shared system (i.e. HR and Finance systems)
<p>Years 1-3 2023/24 - 2025/26 (Post Vesting)</p>	<ul style="list-style-type: none"> • Review of all organisational structures, in line with strategies • Development of college culture, ways of working, team building • Consultation with staff, students and union on new structures • Curriculum review • Launch of Voluntary Severance Scheme • Island Impact Assessment (relating to any organisational change or curriculum review)

Figure 9.0:
Year 1 – 5 timelines for People Restructuring

9.3 Contracts and Terms and Conditions

The merged college will be signed up to the NRPA, National Pay Review for professional service staff and the Fair Work Framework.

As part of the formation of the merged college all staff from across the three partners will transfer to the merged college with their current terms and conditions protected by TUPE. Working alongside Union representation we will ensure that all terms and conditions are reviewed, and staff are supported throughout this process.

Additionally, we will work with Staff and Unions to develop a new suite of contracts for the merged college which are comparable in all terms and conditions and in line with national policies and guidelines. We will actively work alongside EIS to ensure we can embed research activity within our academic contracts as unlike colleges in the wider sector, the merged college will need to take into consideration staff who are on research contracts or wish to be on research contracts. Work will take place within the People and Culture workstream to review all contract types and to devise a standard set of contracts and harmonised terms and conditions for the merged college.

9.4 Staff Engagement

The merging colleges have a history of positive employee relations and are committed to maintaining good relationships with staff and their representatives through the merger process and beyond. Trade unions will continue to be recognised as they are now in the partner colleges, and we will put in place a Local Recognition and Procedures Agreement to cover formal arrangements for consulting and negotiating with trade unions.

The three colleges recognise the importance of maintaining effective two-way communication with all staff to provide clarity, maintain trust, sustain commitment and motivation, and allay anxiety. We will continue to achieve this within the merged college through:

- Ensuring all communications with our staff are inclusive, honest, and timely, employing effective and pervasive media at our disposal.
- Providing effective two-way communication mechanisms to enable our staff to contribute to constructive suggestions for service improvements and engage in effective consultation.
- Making best use of the Communication Facilitators – see more under Communication Strategy.

9.5 Staff Learning & Development Plan

The merged college will develop and implement individual Learning & Development Plans covering all aspects of continuing professional development, mandatory training, induction & probation process and other development as agreed to encourage and empower all staff to continuously extend their knowledge, skills and capability. These plans will:

- Place a high priority on the continuous professional development of all staff and to support all staff in professional development so they can effectively contribute to the merged college goals and the delivery of excellent learning & research.
- Identify and address strategic priorities to ensure consistency of approach, including staff induction, mandatory training, professional qualifications, and leadership development.
- Develop mechanisms to support workforce planning and deliver the necessary skills, competencies, and experience in order to achieve the merged college strategic objectives.
- Embed self-evaluation and reflective practice as a vehicle to support continuous improvement across all functional areas of the merged college.
- Support the development of new skills and refresh of pedagogies to support delivery.
- Support the acquisition of skills and competences in using emerging digital technologies.
- Be reviewed once a year.

Effective leadership and management will be critical to the success of the merged College. Managers will, therefore, be given the opportunity to participate in leadership development activities to improve the leadership capability of the merged college and to ensure that they are equipped with the necessary skills and competencies to manage the public resources for which they are accountable as well and ensure they are developing skills to enable them to progress within their careers.

9.6 Equality, Diversity, and Inclusivity Policy

The merging colleges have an unwavering commitment to equality, diversity, and inclusivity to ensure all staff and students are treated fairly within a working and learning environment where all feel safe from prejudice, discrimination and harassment. All three colleges work alongside UHI in implementing the partnership wide [Equality, Diversity and Inclusivity Policy](#). The merged college will continue to ensure that this policy is central to all that it does, embedding equality within its culture, policies, procedures, systems,

curriculum design and support for staff. In addition, staff from the merged college will continue to sit on the UHI Equality, Diversity, and Inclusivity Compliance Team.

As part of the merger process an Equality Impact Assessment has been completed (appendix 4).

9.7 Management Information and Systems

The merged college will develop a management information and systems strategy which will ensure it is able to maintain robust employee records and data to inform service delivery and strategic planning. This will allow the merged college to review and evaluate existing HR and payroll systems, working towards integrated regional HR and payroll systems. The merged college will adopt a single HR and Payroll system.

10.0 Estates

The estate provides a fundamental sense of place, a brand, identity and community touchpoint for the merged college in the localities in which it is based, and this will be reflected in the objectives for the merged college. This sense of belonging and identity for the students and staff will be reflected across all locations.

As the merged college begins to take shape the estates plan will ensure that the existing estate and its facilities are optimally used to deliver and enable the merged college's strategic objectives as a tertiary provider to the communities it serves. Key drivers will include securing funding to ensure we deliver on the net carbon zero agenda and wider environmental objectives whilst providing an accessible, safe, flexible, and well-maintained estate for both staff and students where there is equivalence of standards and infrastructure for both learning, research and workspace accommodation.

It is acknowledged that opportunities exist to provide a 21st century learning environment across the merged college and this, in part, will be achieved by reconfiguration and adaptation of the existing estate together with capital investment planned at each of the partners. Reconfiguration and adaptation will require securing capital investment and the merged college will seek these opportunities to deliver on carbon reductions, net zero and operating costs for the estate over time.

Sustainability will be key to the new organisation and through merging and realignment of our estate there will be opportunities to engage with both academic and commercial partners and stakeholders to create both commercial and revenue opportunities for the merged college from their current locations across the region. To facilitate these objectives the merged college will seek to have more collaborative ventures with other agencies and communities to deliver the appropriate presence in the many and varied locations in which it operates and by so doing will contribute to the wider economic, social, and environmental benefits in these rural and remote communities.

10.1 Current Estate

There is acknowledgement that there is capacity in some areas of the current estate and across the three institutions, and that there is not a wholly adequate, nor fit for purpose estate in many of the locations together with the flexibility of functionality as teaching and learning practices change. Moreover, the estate in terms of new pedagogical models of delivery, research and innovation opportunities, student and social spaces together with adequacy in terms of the net carbon zero objectives are key considerations. Merging is an opportunity to address these issues collectively, consistently, and strategically. While some of these issues are addressed by the capital investment intentions of each of the institutions there will be requirement to be supplemented beyond the projects currently identified with investment in systems and assets to deliver the appropriate 21st century teaching and learning environments for the merged college. The current estate across the three partners and 19 locations is 36,761 m² gross internal area.

10.2 Estates Aims and Objectives for the Merged College

The key strategic objectives for the estate are outlined under the following themes:

Pedagogical, Curriculum Development and Student Experience

To ensure that the estate meets the requirements of curriculum delivery as it develops and changes over time, the organisation will develop a multi model framework which will require the estate to provide more flexible and adaptable space within the estate and to increase the student and staff social and interactive spaces. We will plan with students and our communities to develop an estate that will attract and retain students with as a minimum developing a café, dedicated HISA office and student union as a minimum at our larger campuses.

Student and Staff Accommodation

Student accommodation is an area of estate we lack in across all our sites and is a barrier to growth, particularly for higher education and our ability to scale up industry skills programmes. We will work alongside UHI to seek investment for student accommodation to support curriculum plans for attracting/retaining students. We will also support work across UHI Outer Hebrides, UHI Shetland and UHI Orkney who are looking to jointly bid for investment in student accommodation alongside wider Island Deal partners, HIE and Local Authorities. Additionally, we will work alongside local affordable housing providers to explore wider possibilities for staff and those looking to more permanently relocate to the area.

Net Zero Agenda

To adopt policies and investment to facilitate carbon reduction moving to a net zero position in an appropriate timescale. The merged college will take opportunities, where they can, such as engaging with the Scottish Government's Heat in Buildings Strategy (HIBS) to implement these changes. This will require an audit of the current estate to identify the opportunities and investment required to deliver against this objective and this will be the starting point for this work. In addition, transport modal shifts for both students and staff accessing the facilities will contribute to this objective.

Procurement

To develop sustainable and local procurement policies of goods and services for estates and facilities as part of the wider economic benefit to the local communities they serve. Reduce the reliance on national agreements for services particularly related to estates services and to develop partnering and learning opportunities for local suppliers.

Community Contribution

As both a major employer and purchaser of goods and services the merged college will continue to support the local communities it serves through sustainable purchasing and taking opportunities to improve its utilisation and provision of estate by taking advantage of a mixed model of tenure in the rural communities using shared facilities. We will undertake a review of all our sites to assess capacity and ability for commercial activity and community sharing with a view to capitalise on income generating opportunities through the development of commercial spaces. This will facilitate the use of such facilities and create opportunities for other agencies to partner with the new institution to bring a richness and diversity of provision across the region.

1. Estate Management Systems

To develop an integrated estates management system to facilitate and deliver consistent operations and management of the estate in terms of reactive and planned maintenance.

Developing standards and policies to be adopted across the estate that deliver a consistency throughout; that comply with all statutory and regularity requirements, and which provide a safe and appropriate working and learning environment.

To develop innovative space utilisation through hybrid working/learning practices for staff and students with innovation in desk booking systems and other complimentary systems.

2. Capital Investment

To work as one institution to develop and secure capital investment opportunities for the merged college that look to reduce operating costs and overheads, increase the utilisation of the estate and provide a fit for purpose learning and working environment for the 21st century.

A matrix of planned capital investment is provided in the table below:

Partner	Project	Estimated Total Cost	Expected Start Date	Projected Completion Date	Net carbon Contribution
UHI Outer Hebrides	Stornoway Campus Redevelopment	£2million Part funded through Islands Deal	To be confirmed	2025	Significant
UHI Outer Hebrides	Development in South Uist in partnership with Ceolas	£11.77million	Phase 1 started Jan 2020 and ongoing Phase 2 pre-construction	Phase 1 due to complete April 2022 Phase 2 due to complete summer 2024 based on start date	Significant
UHI North Highland	Redevelopment of Thurso campus	£10m	2 months to refresh OBC, build start projected 2023	18 months from start of build	Significant
UHI North Highland	Consolidation of Alness Campus	£2.5m net £3 million gross	To be confirmed	All building work complete by August 2023	Significant
UHI West Highland	Centre for Science and Technology	£17m	To be confirmed	2025	Significant
UHI West Highland	Mallaig Learning Centre	£1.8m	2023	2024	Significant
UHI West Highland	Broadford Learning Centre	£1.7m	2023	2024	Significant

Table 10.0:
Estate Capital Investment Projects

It should be noted that the capital funding for these projects has not yet been secured. Business cases, audits and funding submissions to raise capital will be developed as the college merges, led by the college board and executive team.

10.3 Health and Safety

Having a wider team of experts in health and safety across the merging colleges will build an enhanced culture of health and safety across our estate and activities, with a clearly articulated shared vision. As a merged college we will develop managers at all levels to be health and safety leaders, ensuring improved accountability and responsibility for their business areas. We will also embed a culture of health and safety from induction onwards, with a regular programme of refresher training the merged colleges will become safer places to work and study.

As part of preparing for merger a health and safety training audit will be undertaken alongside an analysis of what training is mandatory to all staff and what needs to be

completed by some sections of staff. The audit will be compared with sectoral standards such as HASMAP (University Health and Safety Association Audit Tool) and these standards implemented where feasible.

The merged college will review registrations with HSE, IOSH etc. and ensure these are maintained and updated alongside college policy and supporting documentation. AssessNet is currently used by two of merging partners and it is recommended that it is expanded through adding additional modules in the merged college.

11.0 Digital and ICT Systems

Information Technology (IT) and Information Management (IM) processes will be instrumental to the success of the merged college's vision of being a connected, innovative, flexible, distributed and sustainable learning organisation. Whilst the merger partners already benefit from a shared baseline of IT, as provided by UHI, the merger provides the perfect opportunity to optimise how it manages and utilises IT across its sites to significantly enhance the delivery of its curriculum, research, and services as a truly digitally enabled organisation.

The IT benefits of the merger will be realised in 3 main areas - people, software, and hardware. As we move towards vesting date the merger team is developing plans in those areas that will be implemented in the short-term, to be followed by longer term assessment of resources and processes to make sure what is being provided adds value, is of appropriate quality for its use and improves the experience of students and staff of the merged college.

The merged college will pursue the following IT opportunities:

- **Pooling of IT and Information Management Teams** to deliver a holistic service for students and staff across all sites with increased efficiency, effectiveness, and resilience. This would be enabled by enhanced continuity of support and reduction in duplication which, in turn, provides opportunities to develop more in-depth professional knowledge in specific areas. This will lead to increased efficiency of hardware utilisation and allocation and increased support service agility and expertise in troubleshooting IT problems for staff and students.
- **Rationalising of Software and Procedures** across the campuses, removing duplicated systems and costs, allowing the merged college to adopt 'best-in-class' system, enabling more effective training concentrated on fewer systems.
- **Encouraging best practice** through spreading localised expertise in specific systems as best practice across the merged college's campuses.
- **Implementing of Electronic Data Management Structures and Processes** to remove/archive unnecessary/obsolete files and reduce the manual workload in maintaining UK GDPR and cyber security compliance.

Pursuing these opportunities will enable the merged college to provide staff and students with enhanced access to the digital technology, tools, and information that they need to connect and to succeed, all whilst maintaining compliance with requisite data privacy and cyber security protocols.

11.1 Information Systems and Information Management Plan

The Information Systems and Information Management Plan will complement the vision and mission of the merged college while aligning with the developing updates of the [UHI ICT Strategy](#). Given the shared baseline of common systems provided by UHI and used by all academic partners, the development and implementation of this plan will be evolutionary as opposed to revolutionary.

The plan will have several components:

- **People:**
 - Users: staff and students who access and use the College's IT
 - IT Staff: College and UHI staff - responsible for supplying, maintaining, and managing the use of IT
- **Software:**
 - UHI-provided
 - Partner-specific – 3rd party software and in-house systems
- **Hardware:**
 - UHI-provided/loaned
 - For staff
 - For students
 - Partner-specific-provided/loaned
 - For staff
 - For students

11.1.2 Information Systems: Aims and Objectives

11.1.3 To rationalise the range of software and hardware systems in-use:

- Removing duplicate systems to reduce variation in processes and costs.
- Releasing capacity to provide effective training in use of the merged college systems.
- Providing opportunities for the merged college to adopt fewer and best in class systems.
- Identifying local expertise in exploiting specific software that can be shared as best practice across the merged college.
- Maximising the use and benefit of services provided from elsewhere in the university partnership.
- Offering opportunity to maximise value for money from licensing arrangements. There would be short-term rationalisation and then a medium to longer term assessment of the provision to make sure what is being provided adds value, is of appropriate quality for its use and improves access to the students of the merged college. This may require investment to make the most appropriate choices.
- To review staffing/specialisations across the partners towards developing a structure that increases efficiency and effectiveness of IT support for the merged college.
 - By pooling resource to deliver a holistic service across all sites this would enhance continuity of support cover, and the reduction in duplication provides opportunities to develop more in-depth knowledge in specific areas, making these posts high value roles for rural areas
- To be a strong partner in supporting and developing ICT systems, services, and support structures to deliver efficient and effective services to the merged college as well as the wider UHI.

11.1.4 Information Management Aims and Objectives

- To review staffing/specialisations across the partners towards:
 - Developing an electronic data management structure using SharePoint that increases efficiency and effectiveness of IM support for the merged college. The partners will evaluate the extent to which this can be implemented prior to vesting.
 - Pooling resources and expertise to develop automated electronic workflows, vital to process efficiency across such a widely dispersed organisation.
- To identify local expertise in IM that can be shared as best practice across the merged college.
- To develop electronic data management structures and processes to remove/archive unnecessary/obsolete files and reduce the manual workload in maintaining UK GDPR and cyber security compliance.
- Centralisation of functional data sets to ensure consistency of data, minimise inconsistencies in that data and ensure data protection principles are implemented through data protection by design.
- Improved data management providing better analysis of the data for statistical purposes as well the ability to respond in an efficient and timely manner to Freedom of Information and Subject Access requests.

11.2 Data Protection

As part of planning process, we have worked locally with the UHI data protection officer to understand the data protection considerations that we are required to take account of during a merger. We have developed a data sharing agreement to allow for information to be shared to develop the detail of the business case and a DPIA is in the process of being carried out.

Through requested SFC Phase 2 funding a Data Protection Manager and Data Protection Officer will focus on creating a new culture of data protection and information security within the merged college. Key tasks that will be carried out include a reassessment of all IT systems that will serve the merged college, numerous Data Privacy Impact Assessments and rewriting all data sharing agreements and privacy notices.

All aspects of the merger (both in advance of and post vesting date) will be compliant with current legislation and the merged college will meet the Information Commissioner's Office standard of 'data protection by design'. At vesting date, and this work having been completed to the highest standards a new role within the merged college will be able to ensure continued sector leading standards of data protection and GDPR work.

12.0 Quality Enhancement

The merged college will support the creation of a new quality culture and framework threading through all services and teams in all 19 locations. The quality framework will support consistency, accountability and provide assurance on the quality of learning and teaching and the student learning experience, demonstrating impact and value for public investment.

The merged college will examine the different landscapes within which it will operate and ensure that its quality systems and processes capture, meet and satisfy the varying demands that will be placed upon it. A new quality team will outline common strategies, systems, and approaches to be adopted, creating a greater commonality of approach, consistency, and quality of what we offer, wherever a student chooses to study.

12.1 A single quality assurance and enhancement framework for tertiary education

The merged college will benefit from the development of a single quality assurance and enhancement framework for tertiary education that will uphold academic standards and enhance the learning experience of all students. Securing good outcomes for learners, supporting pathways from senior phase to university study in the merged college and beyond. Currently, the quality framework for higher education study from level 7, is overseen by the UHI Quality Assurance and Enhancement Committee (QAEC), acting on behalf of Academic Council, the merged college will continue to have proactive membership on this committee.

The merged college quality team will continue to build on the work already undertaken to standardise processes across UHI partners by the Quality Forum Group. Quality Forum (QF) is a practitioner group chaired by a senior academic partner manager and includes quality managers from all partners, the academic registrar, the university lead for SQA higher education provisions and HISA representatives. It has a tertiary remit, covering both further and higher education activity, to ensure effective regional and local implementation of quality monitoring arrangements and quality-related issues, and sharing practice to support ongoing enhancement.

The merged college will have a focus on quality enhancement alongside quality assurance and monitoring. Students will have a boosted voice via surveys, committees, and representation on college groups, benefitting from a standardised quality culture regardless of level of study or locality.

Staff will benefit from being part of a stronger, larger quality team, which will increase the flexibility for staff, reducing the duplication of tasks allowing the sharing of workloads more effectively and efficiently. Staff will specialise rather than being stretched across multiple areas through the bringing together of three small teams into one to encourage staff engagement, allow staff to expand their skillset and distribute quality tasks evenly leading to improved efficiency and staff wellbeing.

The merged college will actively involve both internal and external stakeholders in the review and enhancement of improvement process itself and will develop new and innovative approaches to do this. Co-creating and outlining a plan for transition from individual colleges to a merged college enables us to strengthen the relationship with

external quality stakeholders such as awarding bodies, sector bodies and Education Scotland facilitating the offer of a wider range of qualifications and awards to students.

13.0 Governance and Management

13.1 College Name

Consultation on the merged college name is ongoing with feedback to be provided to Partnership Board for final decision at the end of November 2022. The branding for the merged college will be in line with the updated UHI branding and the naming and consultation process has been facilitated by STAND.

College Naming Process

June	Initial online scoping session with partner principals, boards, marketing/comms leads and HISA representatives.
Early August	STAND to share initial options with Principals for feedback.
Early August	STAND to present to Partnership Board on options and seek approval for consultation.
October	Consultation events, to run concurrent to the 10-week public consultation on business case.
November	Outcomes of the consultation presented to Partnership Board for decision.

13.2 Governance

In developing a single college governance structure, we will ensure appropriate local and strategic leadership is in place while reflecting best practice in corporate governance.

We will appoint a new single Board of Management and Executive Team for the merged college. In doing this we will ensure the merged college continues to meet the needs of our communities and their diverse contexts, while securing all the benefits of jointly pursuing improvement and excellence in delivery across all our localities and operations.

13.3 Partnership Board / Transition Board

The Partnership Board was established in September 2021 to ensure effective governance arrangements in working towards the creation of a merged college, with delegated authority from the Boards of Management at UHI Outer Hebrides, UHI West Highland and UHI North Highland.

The Partnership Board is chaired by Dr Michael Foxley, meets monthly and consists of board members, executives and staff and student representatives from all three colleges. The Board oversaw the preparation of the merger proposal and full business case with final approval sitting with the Boards of UHI Outer Hebrides, UHI North Highland and UHI West Highland.

In late 2022 the Partnership Board will become the Transition Board with a new Chair and independent, staff and student members appointed from December 2022 – March 2023. The Transition Board will become the Merged College Board of Management on Vesting date and has delegated authority to approve Year 1 budgets for the merged college, strategies and policies, alongside delivering the merger.

13.4 Committee Structures

The Transition Board will develop a committee structure covering all main functions and existing frameworks from the three partner colleges. The proposed composition of the merged college board will be formed in line with The Code of Good Governance for Scotland's Colleges. The duties of the Board of Management will include overseeing key

functions of the merged college including learning and teaching, finance and audit, estates management, human resources and organisational development and committee activities.

Overarching Management Committee

- College Board of Management

Standard Committees

- Audit Committee
- Finance and General Purposes Committee
- Human Resources Committee
- Learning, Teaching and Research Committee
- Nominations/Appointments Committee
- Remuneration Committee

Local Advisory Committees

- Caithness, Sutherland, and Easter Ross Local Advisory Committee
- Outer Hebrides Local Advisory Committee
- West Highland Area Local Advisory Committee

13.5 Board of Management Membership

The following structure for an eighteen-member board is proposed:

- One independent chair
- One college principal
- Six independent area committee representatives (chair and vice-chair from each local advisory committee)
- Five independent members
- Two HISA representatives
- One teaching staff member
- One support staff member
- Two Union representatives

13.6 Standard Committee Membership and Remit

The membership of the standard committees will follow the existing protocols used for current boards of management. Current terms of reference, scheme of delegation etc. will be compliant with [The Code of Good Governance for Scotland's Colleges](#) and should be considered for adoption for standard committees provided they meet the requirements of the merged college.

13.7 Local Advisory Committee Membership and Remit

To continue a strong local voice and to oversee the implementation of the merger in each region the new Board will operate three local advisory committees; one for each of the founding partners. Membership will be drawn primarily from current board members across the partners while also inviting new members from key stakeholder groups including local employers, public service agencies and local authorities, schools, community groups and residents. These committees will provide effective ways of ensuring the right learning is in the right place, local accountability for the quality of the learning experience and the delivery of strong outcomes for learners as well as ensuring

each college is effectively linked into relevant local developments, strategic opportunities, priority projects and partnerships. Each local advisory committee will have a Chair and Vice Chair who are members of the main College Board.

The purpose of local advisory committees is not for them to act in an official decision-making capacity with delegated authority, but as a strong link into the communities the college serves, providing local oversight and to ensure information passes between the Board of Management and local stakeholders. The structure of the committees may also allow members of key partner organisations to serve as committee members, as they may not be allowed to serve as board members in local organisations e.g. local authorities, Highlands and Islands Enterprise, Skills Development Scotland.

Developing terms of reference, scheme of delegation etc. compliant with [The Code of Good Governance for Scotland's Colleges](#) will be a priority as the chair and vice-chair of the three local advisory committees will be members of the College Board of Management. The size of and skill sought for the local advisory committee will be dependent on the committee aims set out by the governance group and partnership board.

Consideration will be given to creating the initial local advisory committees from the membership of the current college boards of management to provide some continuity and allow them to function in their intended capacity immediately. The initial membership would then consider who to approach to join the local advisory committee, as well as advertising for members locally if desired.

13.8 TUPE and College Structures

Following the appointment of a Principal Designate in November 2022 and then vesting date in August 2023, the executive structure of the merged college will be developed, followed by a wider reorganising of staff. The process for managing the programme of organisational change will be set out within a framework which will be subject to trade union consultation and will form the basis of a consultation exercise with all college staff.

The Partnership Board and three existing colleges are aware of the critical requirements and their legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), as the main piece of legislation governing the transfer of an undertaking, or part of one, to another. The regulations are designed to protect the rights of employees in a transfer situation, enabling them to enjoy the same terms and conditions, with continuity of employment, as they did prior to transfer.

TUPE applies about the merger of the colleges as the merged college will retain its core business of learning and teaching after the relevant transfers take place. The complexities of TUPE are acknowledged, and best practice and all appropriate legal advice will be followed to ensure that sound employee relations are maintained, collectively and individually, throughout the process. The key to managing TUPE transfers successfully lies in open and transparent communication, good planning, identifying and mitigating risks, and holding genuine consultation and engagement with all members of staff and Unions.

14.0 Consultation Process and Feedback

14.1 Outline Business Case and Early Consultation

An outline business case detailing the intention to create a merged college was consulted on for 10 weeks from 16 December 2021 until 14 February 2022. Feedback from this consultation process was published online and considered in the drafting of the full merger proposal and business case.

The outline business case was launched on a dedicated website where feedback could be provided directly and where staff, student and public consultation events were advertised. The consultation website was linked to via each colleges core website and staff were emailed the document alongside regular newsletters detailing the merger process.

Link to merger website <https://www.rural-islands-merger.uhi.ac.uk>

Link to outline business case [rural-islands-merger-consultation-en.docx \(live.com\)](#)

Link to consultation response [230322-Report-on-Initial-Consultation.pdf \(uhi.ac.uk\)](#)

14.2 Full Merger Proposal and Business Case Consultation

Aim of Consultation

The consultation supported the refinement of the merger proposal and business case by gathering views from internal and external stakeholders on the proposed merger of UHI North Highland, UHI Outer Hebrides and UHI West Highland. Feedback has been integrated into the final version of the merger proposal and business case as well as planning for the implementation stages of merger.

Approach

The 10-week formal consultation period ran from Monday 8 August to Friday 14 October 2022. A combination of quantitative and qualitative research methods were used to gather feedback. This included:

- An online survey
- Formal email submissions
- Visible displays in all learning centres and campuses, including comment boxes
- Three online public information events
- Face to face drop in events in learning centres and campuses
- A combination of online and face to face engagement meetings with stakeholders
- Staff and student focus groups

Awareness of consultation activities were supported by a communications plan, which included direct and two-way communications with key stakeholders, media and social media activity. Video and graphic design content was also used to support written and oral communications.

Specifically:

- Staff were engaged via two-way communication mechanisms within colleges, providing opportunities for questions, answers, and comments. Staff had a choice to complete a comment card, questionnaire, submit a formal response via email and attend a focus group. This activity was supported by regular meetings with trade union colleagues.
- Students were engaged via two-way communication mechanisms within colleges, providing opportunities for questions, answers, and comments. Students were engaged via induction, freshers' events and student voice rep meetings. They were also encouraged to attend drop-in events on campus/online information events. Students had a choice to complete a comment card, questionnaire, submit a formal response via email or attend a focus group. Social media was also used to engage students. This activity was supported by regular meetings with HISA colleagues.
- External stakeholders were encouraged to attend drop-in events on campus, online information events, complete the survey or make a formal email submission.

Data collection, analysis, and reporting

Data collection took place throughout the 10-week consultation period, which concluded on Friday 14 October. This data was analysed and reported on by Monday 24 October, enabling the full business case including consultation report to be submitted to the boards of management at each college by Monday 31 October.

A full summary of the consultation will be published on the merger consultation website at [Home - Rural and Islands College Merger Project \(uhi.ac.uk\)](http://uhi.ac.uk).

15.0 Merger Process

15.1 Timeline to Vesting Day

The timeline to vesting day on the 1st August 2023 is detailed in the table below.

Action	Responsibility	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Business Case Development	Partnership Board	[Blue bar]																		
Business Case Public Consultation	Project Team	[Blue bar]																		
Consultation Analysis	External Provider	[Blue bar]																		
Due Diligence	External provider	[Blue bar]																		
Equality Impact Assessment	Project Team	[Blue bar]																		
Board of Management Approvals	College Boards	[Blue bar]																		
Submission to Government	Project Team	[Blue bar]																		
Scottish Government consultation period	Scottish Government	[Blue bar]																		
SFC Visit and Recommendations	SFC	[Blue bar]																		
Parliamentary consultation process	Scottish Government	[Blue bar]																		
Governance Implementation	Partnership Board	[Blue bar]																		
Principal Designate Appointment	Partnership Board	[Blue bar]																		
Transition Board Terms and Conditions Developed	Partnership Board	[Blue bar]																		
Establishment of Transition Board	Partnership Board	[Blue bar]																		
Establish Terms of Reference for Local Advisory Committees	Transition Board	[Blue bar]																		
Appointment to Local Advisory Committees	Transition Board	[Blue bar]																		
Finalise committee structure for merged college	Transition Board	[Blue bar]																		
Transition Board becomes College Board	Transition Board	[Blue bar]																		
OSCR process for charitable status	Project Team	[Blue bar]																		
Implementation Planning	Project Team	[Blue bar]																		
Vesting Date	Transition Board	[Blue bar]																		

Table 15.0:
Timeline to Vesting Date

15.2 Management of the Merger Process

The strategic planning for the merger process has been overseen by the Partnership Board and identification and management of critical merger activities has been delegated to the Principals/Acting Principal's.

Cross College merger workstreams have been established to inform the strategic development of critical activities and to develop the merged colleges' initial strategies. Composition of the workstreams and subgroups ensure representation from senior management and operational staff across each of the partner colleges to enable the college to build on the existing strengths and best practice for the merged college. Advice and input have also been sought from the wider college sector and especially those involved in the recent Shetland merger and NESCOL merger. The Partnership Board appointed a project manager in January 2022 to assist the workstreams and to provide direction in all aspects of project design, development, and delivery through the phases of the merger process – planning implementation, integration and enhancement.

Detailed implementation planning will take place if the decision is taken to merge to ensure solutions are in place to support critical processes and systems to support a seamless transition for staff and students on vesting day.

15.3 Working Groups

At the first meeting of the Partnership Board, it was agreed that a governance working group should be established, followed by a series of other working groups that would cover the functional areas required for development of the full merger proposal and business case.

15.3.1 Governance Group

The governance group was established to set a strategic direction for the other working groups to follow. It was decided the makeup of this group should be broader than the other working groups due to its remit, and it therefore includes members from outwith the college communities. The chair was approached due to their position on the Colleges Scotland Board and their experience leading the regional planning and merger of the colleges in Aberdeen and Aberdeenshire to create North-East Scotland College.

Governance group membership:

- Ken Milroy (Chair), NESCOL Chair and Colleges Scotland Chair
- Michael Foxley, Partnership Board Chair
- Florence Jansen, HISA President
- Derek Lewis, UHI West Highland Chair
- Archie MacDonald, UHI Outer Hebrides Chair
- Billy Mackinnon, Staff Representative
- Alasdair McColl, University of the Highlands and Islands Chair of University Court
- Lydia Rohmer, UHI West Highland Principal
- Robbie Rowantree, UHI North Highland Chair
- Advisors:
 - Pete Ryder, Rockborn Management Consultants
 - Debbie Murray, UHI North Highland Principal
 - Sue Macfarlane, UHI Outer Hebrides Principal
 - Rachel Cumberland, Merger Coordinator
 - Max Brown, Head of Transformation, UHI

15.3.2 Workstreams

The workstreams were identified to reflect the functional areas of the partner colleges. At the October 2021 Partnership Board meeting a Terms of Reference and a draft membership list was approved.

The purpose and general objectives of all workstreams Working Group are to:

- Develop the detail of their functional area for inclusion within the full merger business case
- Engage and consult with internal and external stakeholders to inform the development of the detail
- Consider and incorporate the responses from the consultation exercises into the business case
- Raise risks and issues to the Partnership Board for resolution in a timely way

The workstreams are listed below:

- Communications
- Communities
- Curriculum
- Data Protection and UK GDPR
- Estates
- Financial Modelling
- People and Culture

- Quality and Planning
- Research and Business Development
- Student Experience
- Systems Integration and ICT

An executive lead was appointed for each group from senior college staff working in the functional area. A sponsor principal was also allocated to each group from the three college principals. The practitioners in the group were drawn from the three colleges, and HISA members were allocated to relevant groups.

15.3.3 Trade Union Forum

The Trade Union Forum was established to consult with all recognised unions within the partner colleges and with those in the University's Executive Office given the assigned status of the colleges to the University. It is intended as a means of sharing key information with representatives from all the trade unions in a transparent and efficient way as well of obtaining their view in the direction being developed. There are representatives from EIS, Unison and UCU, as well as staff representatives, an executive lead and sponsor principal.

15.4 Merger Funding

Funding for activities directly relating to creating the merged entity have been committed by the Scottish Funding Council and UHI.

- The Phase 1 Budget (appendix 5) ran from November 2021 until June 2022 and supported the development of the full merger proposal and business case.
- The Phase 2 Budget (appendix 6) has been approved by the Scottish Funding Council and will run from July 2022 until Vesting Date, August 2023.
- Funding for a VS scheme of £1 million spread over three years from 1st August 2023 has been requested from the Scottish Funding Council as part of the phase 2 budget.
- To support the implementation plan in Year One of the college being in operation and the aspirations sent out within this business case a Phase 3 budget will be requested from the Scottish Funding Council later in 2022. This will provisionally include:
 - **Merger Implementation and Integration Manager**
To support the further implementation of shared services and processes across the merged college and to support the Curriculum Review Project and organisational change in Year 1.
 - **Senior HR/Organisational Change Specialist**
To oversee the restructuring of all staff as part of the organisational change programme, VS scheme and job evaluation.
 - **Commercial Business Development Lead**
To specifically progress the areas of commercial opportunity in years 1 & 2 as identified by the business case and to ensure early opportunities are not lost. To be possibly jointly supported by UHI / Highlands and Islands Enterprise.
 - **Curriculum Development**
Seed funding for the development of new curriculum in the key areas of renewables, aquaculture, heritage and Gaelic in years 1 and 2.

- **Communication and Culture Programme**
Support for travel and subsistence costs to facilitate the building of teams and culture across the merged college including staff and student ambassador change programme.
- **Estates Development**
Support to review and re-purpose estate across the merged entity to standardise provision through a strategic review of the activity of our learning centres. And to support net-zero and new estate aspirations through the development of business cases and funding proposal requests.

The phase 3 budget will focus resources into the areas that need addressing in years 1, 2 and 3 of the merged college. There is a significant amount of work to undertake in the first three years of the partner colleges merging and without strategic investment in the key areas of business development, curriculum development and merger project/HR management we run significant risk of missing opportunities while trying to stabilise the college. Other sources of funding will also be pursued such as through UHI, Scottish Government and Highlands and Islands Enterprise.

To date a total of £2,114,799 has been requested and approved to support the three colleges in merging. While acknowledged this is a significant amount of funds in the current financial climate it is a small amount compared to previous mergers. Costs have been reduced through the commitment of boards and staff across the three colleges to ensure the merger is progressed rapidly with minimum disruption to allow the three colleges move into a place of financial stability and out of deficit.

15.5 Project Management Framework

A project management framework is in place which supports the strategic objectives of the merger. This includes planning and monitoring mechanisms such as detailed action plans, process reporting and maintenance of a merger risk register. In addition, a monthly report on merger progress is reviewed at the UHI Project Control Group that oversees large scale strategic UHI project activity.

15.6 Risk Management

The risk register has been developed with the involvement of the merger workstreams and Principals/Acting Principals and is overseen by the Programme Board. It includes strategies for mitigating each risk and identifying the responsible risk owner(s). The risk register is a dynamic document, and will develop into a comprehensive risk management tool, supporting the process through merger implementation into the operations of the merged college.

The merger risk management summary in appendix 7 outlines the headline risks associated with the planning for merger and the early implementation phase.

15.7 Communications and Engagement Strategy

As the formal merger change process develops, it is crucial that it is supported by a robust communications and engagement strategy. This will ensure that both internal and external stakeholders develop an understanding of the merger project in our communities, and have an opportunity to participate in, and influence, the change

process and outcome. The strategy will also support development of a unified culture across all three colleges.

The Communications and Engagement Strategy is based on timely, open, honest and transparent communication and engagement, which utilises a range of channels to build mutual understanding, commitment, trust and respect. The strategy is supported by a communication and engagement plan, which will develop throughout the merger process to reflect the progress and pace of change. The plan will be broken down into three key stages:

- Post-merger decision
- Merger decision to vesting date
- Post vesting

Communication and engagement will be reviewed at each stage in the process to ensure activities reflect the needs of our stakeholders at that point in time.

Communication and engagement objectives

- To gain understanding of the merger project, by explaining the background and rationale for the change.
- To raise awareness of the merger project, including the process, timelines, and positives to be gained.
- To communicate the vision, mission, values of the merged college, developing a positive profile and reputation to inspire stakeholders.
- To ensure key stakeholders are fully informed, engaged and consulted on all aspects of the merger.
- To enable staff, students, and trade unions to become co-creators of change through two-way communication and engagement.
- To gather information, listen and respond to stakeholder views, informing communications tactics.
- To maintain and further development effective relationships with key stakeholders, cultivating interest and support.
- To contribute to the development of a unified culture across all three college communities.

Approach

The communication and engagement strategy will be led by the merger communications officer, with strategic direction from the Merger Coordinator and the Principals of each college. The merger communications officer will lead the merger communication team, made up of marketing and communication colleagues from each of the three colleges. The Merger Communications Officer will work closely with marketing and communication colleagues within each partner to align with existing internal communication processes in each. All internal and external communications will be shared with each partner Principal and the Merger Coordinator for approval.

Key stakeholders

Stakeholder mapping has been carried out to ensure we are communicating and engaging at the appropriate level with all our stakeholders. This includes, but is not limited to:

- Staff

- Students
- College board members
- Trade unions
- Highlands and Islands Students' Association (HISA)
- UHI
- UHI academic partners
- Gaelic language stakeholders
- MSPs/Ministers
- Scottish Government
- Scottish Funding Council
- MPs
- Local elected councillors
- Public sector partners
- Private sector partners
- Further and higher education sector partners
- Community groups and third sector organisations
- Secondary schools
- Potential applicants
- Research partners and funders
- Media

Communication mechanisms:

Communication mechanisms include, but are not limited to:

- Monthly staff newsletter
- Blog site
- Regular staff, student, and stakeholder events to enable two-way communication and engagement.
- Staff forums for all three colleges.
- Social media
- Public facing website
- Email communications
- Internal intranet site
- Surveys, pulse questions and e-noticeboards
- Consultation events and activities
- Digital displays and noticeboards
- Regular staff, student and stakeholder events have been introduced at each of the partner colleges to provide opportunities for two-way communications, which will become a characteristic of the merged college and how it operates.

Priorities

Pre-merger decision

The communication and engagement plan has been developed up until the point of merger decision (November 2022). Key priorities between now and then include:

- Developing an understanding of the existing profiles of all three colleges, and the strengths they bring to the merger.
- Building opportunities for two-way engagement between the merger project and key stakeholders, namely staff, students, and trade unions. This includes the introduction of more pulse questions, polls, noticeboard, to gain feedback on subjects or themes, and consultation activity.
- Development of the internal intranet site to create a space where staff can find more detailed information on the merger/how to get involved.
- Utilising a variety of voices to tell our story, including the principals, board chairs and board members, staff, students, and our student association.
- Maximising media opportunities in line with key stages in the process. This includes strengthening delivery of our key messages through audio/video content, and a focus on tailored media content to meet the needs of local communities.
- Engaging the public via social media campaign to coincide with the consultation period.
- Developing a proposal for visual identity/branding for the proposed merged college.
- Sharing examples of collaborative benefit/opportunity with internal and external audiences.

Merger decision to vesting date

Key priorities will include:

- Supporting implementation planning through timely, open, two-way communication and engagement.
- Launch of and development of a communication facilitators programme to support the merger programme.
- Contribute to the development of a unified culture across all three colleges, including move to cross-college staff forums
- Internal and external engagement campaign to support brand development and build the reputation of the merged college.
- Development of a shared internal communication and shared public relations strategy for the merged college.
- Launch of merged college/vesting date plans.

Post vesting

Key priorities will include:

- Continued development of a unified culture across all three colleges.
- Ongoing development of communication and engagement infrastructure for the merged college.
- Ongoing development of communication facilitators programme.
- Internal and external engagement campaign to support brand development and build reputation of the merged college.

Evaluation

The Communication and Engagement Strategy is monitored regularly by the people and culture workstream and the Partnership Board to determine if it is successful in providing consistent key messages to our target audience of internal and external stakeholders.

16.0 Appendix 1: Rockborn Report Advantages and Risks of not Merging

Governance	<ul style="list-style-type: none"> • Creation of a college of scale and size, more able to withstand funding challenges and more able to make capital investment. • Simpler and faster decision-making structure focused on the bigger picture • Would keep the 'localness' of colleges.
Corporate	<ul style="list-style-type: none"> • Create one clear uniformed vision and mission across the partner colleges in line with that of UHI. • Potential to identify and use best practice from each college. • Allows the development of one strategic comprehensive plan across all the partner colleges with clear KPIs. • Allows savings to be made at Senior Management level and refocused to students/other investment opportunities. • Enables a more powerful voice within UHI itself. • May allow reduction in need for support from the Executive Office allowing further savings.
Curriculum	<ul style="list-style-type: none"> • Produces the maximum efficiency and benefits across the partner colleges allowing all students to access a broad and high-quality curriculum. • Creates maximum opportunity for acquisition (fills the curriculum gaps/reduces duplication/eliminates competition). • Improved contributions from poorly performing curriculum areas. • Ensures specialist resource at the point of delivery. • Reduces risk of single staff delivery.
Finance	<ul style="list-style-type: none"> • Potential for cost savings as duplication at all levels are reduced. • Better management accounting and business decision making. • A capacity to introduce improved business processes using latest technologies. • Improved financial decision support systems. • Improved programme initiation documentation and disciplined decision making. • Improved budgeting and forecasting. • A larger Finance team, more able to respond to the need for cross-team working in larger organisations. • Improved capital budgeting/reporting and 10-year capital planning linked to Estates Strategy for the Sub Region. • Improved budgeting and reporting of Commercial Activity. • Reversal of Strategic Management Accounting Weaknesses. • Reduced risk of potential under-achievement of recovery by individual colleges. • Potential savings in Executive Office.
Services	<ul style="list-style-type: none"> • Would allow a streamlined but comprehensive strategic planning process across all partner colleges with clear KPIs. • Would allow closer working with Executive Office and reduce the 'them and us' perception.

Systems	<ul style="list-style-type: none"> • Alignment of core business systems in line with the UHI systems, making reporting, monitoring, and issue identification easier across the partner colleges. • Would create further financial resilience through the cost savings in terms of licenses and upgrades of multiple current systems. • Further implementation of systems in respect of student monitoring, student voice and destination data would make monitoring, reporting and identification of any issues easier. • Creates resilience across the partnership and reduces staff workload. • Single systems and processes create sense of 'One College'.
People	<ul style="list-style-type: none"> • Clarity of roles and responsibilities (which are sometimes absent in a federation). • Would ensure a local presence at each partner was kept, to be able to respond to local events/issues and address local concerns around jobs. • Provides wider career opportunities and multiple progression routes. • Reduction in workload through streamlined systems. • Development of curriculum leads to new development opportunities and jobs. • Improved institution wide financial awareness delivered through business partner structure and knowledge sharing training sessions. • Greater job security through organisational financial stability.
UHI	<ul style="list-style-type: none"> • Reduces the feeling of 'them and us'. • Streamlines decision making process within UHI. • Eases the tension around 'balancing' credits. • Reduces the number of systems even if UHI fails to develop an integrated model. • May attract change funding from the SFC to support the transition. • May enable reduction in Executive Office support resulting in further savings benefitting the wider partnership.

Table A.1.1:
Rockborn identified benefits of merger

Governance	<ul style="list-style-type: none"> • Reduced ability to influence regional priorities • A smaller voice within the university partnership • Continued competition with other colleges within the university partnership • Less able as single entities to pursue opportunities that require ‘mass’ • Reduced ability to derive the positive benefits that come from closer collaboration (dependant on board/executive commitment) • Significant time spent in servicing local boards
Corporate	<ul style="list-style-type: none"> • Reduced ability to develop internal strategies and quality • Continuation of the current issue of lack of thinking time and strategic planning for senior staff
Curriculum	<ul style="list-style-type: none"> • Opportunities are missed to fulfil the UHI’s potential through sharing curriculum expertise and best practice. • Numbers on some programmes are low making it hard for partner colleges to plan provision effectively. • Several courses are cancelled each year leading to loss of confidence in future provision or students directed on to alternative courses that are not their first choice. • The existing funding model works against collaboration and colleges compete for learners. • Shared provision currently in place is dependent on good will and individual inclination, which may not continue if key staff change.
Finance	<ul style="list-style-type: none"> • Inability to achieve efficiencies of scale in delivery, back office, and resource utilisation. • Less financial resilience and greater vulnerability, particularly at a time when additional costs associated with national bargaining, job evaluation and employer pension contribution costs will be seen. • Capacity to develop Strategic Management Accounting. • Finance teams stretched across many competing priorities and have difficulty getting things done.
Systems	<ul style="list-style-type: none"> • Lack of resilience • Organisational vulnerability • Increased security risk • More costly to purchase and service • Hard to collate data and oversee performance
People	<ul style="list-style-type: none"> • Costly as each entity requires its own support function and staffing • Less resilient as critical systems are dependent on single or limited staff members • More vulnerable to recruitment issues where recruitment is entirely dependent on locality

Table A.1.2:
Rockborn identified risks of not merging

17.0 Appendix 2: Legal Vehicle Assessment Matrix

Criteria	Questions	Choice of vehicle	Rationale/Evidence
HR	Are there advantages of one college over others in terms of the TUPE arrangements, T & C Harmonisation, maintaining good industrial relations, pensions (minimal disruption)?	<i>Name of college or neutral</i>	
Commercial	Do colleges have trading arms/activities. Would there be advantages in terms of sustaining/developing this work with one college over the others e.g., licences, regulations, governance, intellectual properties?	<i>Name of college or neutral</i>	
Quality Systems	Are there any advantages of one college over the others in terms of maintaining and enhancing quality? Are the systems in place that will easily allow for the incorporation of the colleges to be disbanded. What quality standards have been achieved by each college. What would be advantageous to maintain/sustain going forward. What might be lost and at what cost?	<i>Name of college or neutral</i>	
Financial Stability	Are there advantages of one college over the others in terms of financial security, credit rating, loans, liabilities, and systems?	<i>Name of college or neutral</i>	
External Contracts	Are there advantages of one college over the others in terms of the transfer/continuation of external contracts and licences?	<i>Name of college or neutral</i>	
Business Processes	Are there advantages of one college over others in terms of business processes to cope with the increase in volume of work. Is one college better able to absorb the increase over the others?	<i>Name of college or neutral</i>	
Corporate form	Does the corporate form of one college over the others better match the aspirations of the Partnership Board?	<i>Name of college or neutral</i>	
Cost	Are there advantages of one college over others in terms of estimated cost of merger?	<i>Name of college or neutral</i>	
Consents	Are there advantages of one college over others in terms of approvals?	<i>Name of college or neutral</i>	

Table A.2:
Legal Vehicle Assessment Matrix

18.0 Appendix 3: Key Demographics of our Region

Highlands and Islands Enterprise 2020 regional area profile data shows that the Outer Hebrides are home to 26,720 people, or 5.7% of the Highlands and Islands population.

The area is sparsely populated with nine people per square kilometre, compared with twelve regionally and 70 nationally and is projected to decline by 16% between 2018 and 2043. The employment rate of 83.1% is 5.6 percentage points above the regional figure. Self-employment in the Outer Hebrides accounts for 14.9% of economically active individuals, higher than the regional figure of 11.6%.

The Outer Hebrides has an older age profile with 26% of the population aged 65 and over and a higher dependency ratio of 71.6 versus 65.5 regionally and 56.2 nationally. The 16–24-year-old cohort make up 8% of the population, 1% lower than the regional figure. The Outer Hebrides overall unemployment rate increased 2.3 percentage points to 4.9% compared to the same time in 2019. In this timeframe, youth unemployment saw the largest increase from 3.2% to 7.4%.

Across the Outer Hebrides, the top three employment sectors were agriculture, forestry, and fishing (31.3%), human health and social work (14.1%) and wholesale, retail and repairs (8.3%). The Outer Hebrides are less reliant on those sectors most exposed to COVID-19 impacts, at 29% of total employment compared with 41% regionally.

Lochaber, Skye, and Wester Ross are home to 39,331 people, or 8.4% of the population of the Highlands and Islands. The area is sparsely populated with four people per square kilometre and is projected to increase by 15% by 2041. The employment rate of 73.3% is 4.2% lower than the regional figure. Self-employment accounts for 22.9% of economically active individuals, significantly higher than the regional figure of 11.6%. Lochaber, Skye, and Wester Ross have an older age profile with 24% of the population aged 65 and over and a higher dependency ratio of 65.2 versus 56.2 nationally.

The 16–24-year-old cohort make up 9% of the population, matching the regional figure. The overall unemployment rate of 5.4% increased 3.4 percentage points compared to the same time in 2019. In this timeframe, youth unemployment increased from 2.3% to 7.6%. Across Lochaber, Skye, and Wester Ross, the top three employment sectors were accommodation and food services (25%), wholesale, retail, and repairs (12.8%) and human health and social work (12.5%). Lochaber, Skye, and Wester Ross were more reliant on those sectors (accommodation and food services and arts, entertainment and recreation) most exposed to COVID-19 impacts, representing 54% of total employment compared with 41% regionally and 38% nationally.

Caithness and Sutherland are home to 8.1% of the population of the Highlands and Islands, with a population of 38,246 in 2020. It is sparsely populated with five people per square kilometre and the population is projected to decline by 21% and 12% respectively by 2041.

The employment rate of 73% is 4.5 percentage points lower than the regional figure. Self-employment in the region accounts for 8.6% of economically active individuals, lower than the regional figure of 11.6%. Caithness and Sutherland have an older age profile with 26% of the population aged 65 and over and a higher dependency ratio of 69.5 versus 65.5 regionally and 56.2 nationally.

The 16–24-year-old cohort makes up 8% of the population, which is 1% lower than the regional figure. Caithness and Sutherland’s overall unemployment rate of 5.3% increased by 1.8 percentage points compared to the same time in 2019. In this timeframe, youth unemployment increased from 5.5% to 9.0%. Across, Caithness and Sutherland the top three employment sectors were human health and social work (18.8%), accommodation and food services (15.6%), and wholesale, retail and repairs (12.5%). Caithness and Sutherland were more reliant on those sectors most exposed to COVID-19 impacts, being 43% of total employment compared with 41% regionally and 38% nationally.

Easter Ross which, alongside Inverness, Mid-Ross and Badenoch and Strathspey, is within the 2020 Highlands and Island Enterprise area profile for Inner Moray Firth.

Demographic and labour market information for Easter Ross is not discretely available but the Inner Moray Firth has a population of 158,253, or 33.7% of the people of Highlands and Islands. The area is more densely populated with 20 people per square kilometre and is projected to decline by 14% by 2041. The employment rate of 80.2% is 2.7% higher than the regional figure.

Self-employment accounts for 10.6% of economically active individuals, lower than the regional figure of 11.6%. 21% of the population are aged 65 and over and there is a dependency ratio of 62.6 versus 65.5 regionally and 56.2 nationally.

The 16–24-year-old cohort make up 9% of the population, matching the regional figure. The overall unemployment rate of 4.9% increased 2.6 percentage points compared to the same time in 2019: in this timeframe, youth unemployment increased from 3.5% to 8.1%. Across the Inner Moray Firth, the top three employment sectors were human health and social work (19.8%), wholesale, retail and repairs (14.8%) and accommodation and food services (11.1%).

The Inner Moray Firth employment areas were more reliant on those sectors (accommodation and food services and arts, entertainment and recreation) most exposed to COVID-19 impacts - 43% of total employment compared with 41% regionally and 38% nationally.

19.0 Appendix 4: Equality Impact Assessment

In completing this EQIA you should be ensuring the needs of diverse groups of people are thought about when developing and implementing a new policy, procedure or service or a change to existing ones. Please consider the protected groups in line with the Equality Act 2010 and other diverse groups who may be impacted.

Name of Activity	UHI Rural and Islands College Merger Project
Name of person completing EQIA	Steven Gregg, Rachel Cumberland
Date EQIA completed	10/06/2022

What type of activity are you planning?	(x)
Change to procedure	<input type="checkbox"/>
Event	<input type="checkbox"/>
New procedure	<input type="checkbox"/>
Office Plan/Budget	<input type="checkbox"/>
Policy	<input type="checkbox"/>
Project	<input checked="" type="checkbox"/>
Service	<input type="checkbox"/>
Other (free text box)	<input type="checkbox"/>

1	Describe the main aim or purpose of what it is you are planning to do?
	<p>The purpose of the project is to merge three of the existing UHI partners (UHI North Highland, UHI Outer Hebrides, UHI West Highland) into a single institution. This constitutes the merging of two incorporated colleges and one non-incorporated college – all three are assigned colleges in the UHI Regional Strategic Body area.</p> <p>The project aims to build on the current position of the three colleges, leveraging a college of increased scale and reach to create new opportunities for staff, students, and external stakeholders. The project will unlock new natural, social, human, and economic capital opportunities in our unique areas, achieving strategic development and investment through ambitious collaborations and projects we are currently unable to achieve individually.</p>

2	Who is likely to be affected by this policy, service or change?
	The main groups likely to be affected by the project are the students, staff, and external stakeholders of the three existing colleges.

3	Do you have enough information to know what the potential impact might be on diverse groups and what that might look like?			
	<p>The protected characteristics to consider are: Age, Disability, Sex, Race, Religion or Belief, Gender Reassignment, Sexual Orientation, Marriage and Civil Partnership, Pregnancy and Maternity. It will also be helpful to consider these groups more widely in relation to their socio-economic status that includes such factors as educational attainment, occupation, income, wealth, and social deprivation.</p> <p>Please mark as Yes or No. If yes use the Comments column to describe what the potential impact is. What are your sources of evidence?</p> <p>(Try to think about both positive and negative impacts. There are lots of sources of data to help answer this question. Diversity Networks, the Diversity Report or Diversity & Inclusion team may offer some useful information. Previously completed EQIAs may also offer answers to questions you may have).</p>			
		Yes	No	Comments
	Age	✓		See Sections 5 and 7 for detailed commentary and assessment of potential positive or negative impact.
	Disability	✓		See Sections 5 and 7 for detailed commentary and assessment of potential positive or negative impact.
	Gender Reassignment	✓		There will be no impact on this protected characteristic. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.
	Marriage and Civil Partnership	✓		There will be no impact on this protected characteristic. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.
	Pregnancy and Maternity	✓		There will be no impact on this protected characteristic. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.
	Race	✓		See Sections 5 and 7 for detailed commentary and assessment of potential positive or negative impact.
	Religion or belief	✓		There will be no impact on this protected characteristic. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This

3	<p>Do you have enough information to know what the potential impact might be on diverse groups and what that might look like?</p> <p>The protected characteristics to consider are: Age, Disability, Sex, Race, Religion or Belief, Gender Reassignment, Sexual Orientation, Marriage and Civil Partnership, Pregnancy and Maternity. It will also be helpful to consider these groups more widely in relation to their socio-economic status that includes such factors as educational attainment, occupation, income, wealth, and social deprivation.</p> <p>Please mark as Yes or No. If yes use the Comments column to describe what the potential impact is. What are your sources of evidence?</p> <p>(Try to think about both positive and negative impacts. There are lots of sources of data to help answer this question. Diversity Networks, the Diversity Report or Diversity & Inclusion team may offer some useful information. Previously completed EQIAs may also offer answers to questions you may have).</p>			
		Yes	No	Comments
				will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.
	Sex	✓		See Sections 5 and 7 for detailed commentary and assessment of potential positive or negative impact.
	Sexual orientation	✓		There will be no impact on this protected characteristic. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.

Is there evidence of any impact on other groups not covered by the protected characteristics? If yes use the Comments column to describe what the potential impact is, what you could do to remove/reduce any negative impact and what you could do to benefit from any positive impact.
 (For example, carer status, single parent, economic exclusion. It is important not to limit your thinking just to the protected characteristics listed above. This question is broadening the EQIA out to be more inclusive. The impact might be a negative one (e.g., making that decision could decrease the opportunity for some people to participate) or it could be a positive one (e.g. by making that decision, more people are able to take part in the activity).)

	Yes	No	Comments
Rural mainland communities	✓		<p>Potential positive impact The merged college will cover some of Scotland’s most rural mainland communities, including Caithness, Lochaber, Sutherland, and Wester Ross. The current colleges are anchor organisations in these communities, supporting community-based learning centres, and allowing training and development opportunities for people regardless of level or type of qualification. There may be a positive impact from the college merger in enhancing access and opportunities for people living in rural mainland communities, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement will be diminished or removed. During the merger process the commitment to rural mainland communities has been repeatedly reinforced.</p>
Rural island communities	✓		<p>Potential positive impact The merged college will cover some of Scotland’s most rural island communities, including the Inner Hebrides and Outer Hebrides. The current colleges are anchor organisations in these communities, supporting community-based learning centres, and allowing training and development opportunities for people regardless of level or type of qualification. There may be a positive impact from the college merger in enhancing access and opportunities for people living in rural island communities, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement will be diminished or removed. During the merger process the commitment to rural mainland communities has been repeatedly reinforced. Due consideration will also be given to the UHI’s obligations regarding Island Communities Impact Assessments.</p>

4	Have you consulted with the relevant groups (these could be internal and/or external) or gathered evidence for you to know the potential impact on these different groups affected? What sources have you used to gather information?
	If there are any gaps in information that make it difficult or impossible to form an opinion on how your policy, service or change might affect different groups of people, please take the time to gather information to help you make an informed answer (for example, review statistics, survey results, complaints analysis, consultation documents, customer feedback, existing briefings submissions or business reports, comparative policies from external sources and other Government Departments etc).
	An initial consultation took place in early 2022 which has been reported on here . Workstreams have been developed to look at all areas of current and future college business, which includes curriculum strategies and vision for the culture of the merged college. Highlands and Islands Students Association (HISA) have been invited to all workstreams and have a member on the Partnership Board. There has been extensive consultation through the trade union forum, although this has focused predominantly on the structure of the merged college rather than any issues including within the EIA.

5	Having analysed the relevant sources of information, what does the evidence tell you? Is there any evidence that the proposed changes will have an adverse equality impact on any of these different groups of people?			
		Yes	No	Comments
	Age		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p> <p>See Section 7 for detailed commentary and assessment of potential positive impact.</p>
	Disability		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p> <p>See Section 7 for detailed commentary and assessment of potential positive impact.</p>
	Gender Reassignment		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p>

5	Having analysed the relevant sources of information, what does the evidence tell you? Is there any evidence that the proposed changes will have an adverse equality impact on any of these different groups of people?			
		Yes	No	Comments
	Marriage and Civil Partnership		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p>
	Pregnancy and Maternity		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet the same standard. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p>
	Race		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements regarding HR practices, and the merged college will meet same standard. This will be set out in the Equality, Diversity and Inclusivity Policy and associated documents.</p> <p>See Section 7 for detailed commentary and assessment of potential positive impact.</p>
	Religion or belief		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p>

5 Having analysed the relevant sources of information, what does the evidence tell you? Is there any evidence that the proposed changes will have an adverse equality impact on any of these different groups of people?				
		Yes	No	Comments
	Sex		✓	<p>No measurable impact There will be no measurable impact on this protected characteristic for staff. The three colleges currently follow all legislative and sectoral requirements regarding HR practices, and the merged college will meet the same standard. This will be set out in the Equality, Diversity and Inclusivity Policy and associated documents.</p> <p>In general, across the sector there are significantly more women than men employed, but women are often under-represented in senior management teams of universities. There are also gender pay gaps as evidenced by previous Gender Action Plans from UHI partners. Consideration will be given by the merged college HR team to developing strategies to address some of these imbalances and inequalities.</p> <p>No measurable impact for students or external stakeholders There will be no impact on this protected characteristic for external stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p> <p>See Section 7 for detailed commentary and assessment of potential positive impact.</p>
	Sexual orientation		✓	<p>No measurable impact There will be no impact on this protected characteristic for staff, students or stakeholders. The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p>

6 Please provide details of who the proposals affect, the adverse impacts and explain how you will minimise or remove the adverse impact.	
	As evidenced in the detailed commentary in Section 7, there is a high degree of confidence that there is a neutral or positive impact for all protected characteristics.

7 Is there any evidence that the proposed changes will have a positive impact on any of these different groups of people and/or promote equality of opportunity? Please provide details of which group/ groups benefits from the positive impacts. and how this will be promoted/evaluated.				
		Yes	No	Comments
	Age	✓		<p>Potential positive impact for students The three colleges meet all legislative and sectoral requirements and have policies and staff teams to support all applicants/students regardless of age.</p> <p>There may be a positive impact in enhancing access and opportunities for older applicants/students, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement for older applicants/students will be diminished or removed.</p> <p>Many of the students enrolled at UHI partners come from within the region. In many of the areas served by the current three colleges the population is in general ageing, so any work now that diminishes or removes barrier for older applicants/students via new access means, technologies or enhanced curriculum is likely to serve our communities best.</p> <p>Potential positive impact for staff The three colleges meet all legislative and sectoral requirements and have policies and staff teams to support all staff regardless of age.</p> <p>There may be a positive impact in enhancing access and opportunities for older staff, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement for older applicants/students will be diminished or removed. The merged college's work on enhancing culture and working practices may create new opportunities for older members of staff to continue working, or attract older, more experienced applicants for jobs.</p>

7 Is there any evidence that the proposed changes will have a positive impact on any of these different groups of people and/or promote equality of opportunity? Please provide details of which group/ groups benefits from the positive impacts. and how this will be promoted/evaluated.			
	Yes	No	Comments
Disability	✓		<p>Potential positive impact for students The three colleges meet all legislative and sectoral requirements and have policies and staff teams to support those who disclose a disability.</p> <p>There may be a positive impact in enhancing access and opportunities for those with a disability, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement will be diminished or removed.</p> <p>UHI partners have measured a steady increase in the number of students disclosing disabilities and have implemented measures to encourage early disclosure in order to better support students. For these reasons it may be difficult to ascertain whether any increases in student disability disclosure are related to the college merger.</p> <p>Potential positive impact for staff The three colleges meet all legislative and sectoral requirements and have policies and staff teams to support staff who disclose a disability.</p> <p>There may be a positive impact in enhancing access and opportunities for those with a disability, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement will be diminished or removed. The merged college's work on enhancing culture and working practices may create new opportunities for staff with a disability or attract applicants with disabilities if the merged college is recognised as supporting those staff well.</p> <p>This could be measured via internal and external reporting on staff and applicants disclosing disabilities.</p> <p>Potential positive impact for external stakeholders There is a potential positive impact for external stakeholders with disabilities if the merged college is recognised as an institution which provides excellent levels of support and removes/diminishes barriers.</p>

7 Is there any evidence that the proposed changes will have a positive impact on any of these different groups of people and/or promote equality of opportunity? Please provide details of which group/ groups benefits from the positive impacts. and how this will be promoted/evaluated.				
		Yes	No	Comments
	Gender Reassignment		✓	n/a
	Marriage and Civil Partnership		✓	n/a
	Pregnancy and Maternity		✓	n/a
	Race	✓		<p>Potential positive impact for students</p> <p>The three colleges meet all legislative and sectoral requirements and have Equality, Diversity, and Inclusivity Policies to support commitments to the Equality Act 2010.</p> <p>There are acknowledged barriers for applicants from minority ethnic communities to some institutions and some courses. There may be a positive impact from the college merger in enhancing access and opportunities for those from minority ethnic communities, due to a broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online). It is likely that some barriers to engagement will be diminished or removed. The effect of three colleges merging also means mitigation against barriers has a larger effect than one of the colleges changing individually.</p> <p>Many of the students enrolled at UHI partners come from within the region. For context, in the 2011 census the Highland Council and Comhairle nan Eilean Siar regions reported 1.5% and 0.9% respectively of respondents in the 'Asian, Asian Scottish or Asian British' and 'Other ethnic groups' category, vs a national figure of 4.1%.</p> <p>Measurement of any impact may prove challenging as historically the numbers of students from ethnic minority has been so low it has been reported as zero so as to avoid potentially identifying individuals.</p>
	Religion or belief		✓	n/a

7 Is there any evidence that the proposed changes will have a positive impact on any of these different groups of people and/or promote equality of opportunity? Please provide details of which group/ groups benefits from the positive impacts. and how this will be promoted/evaluated.			
	Yes	No	Comments
Sex	✓		<p>Potential positive impact for students</p> <p>The three colleges currently follow all legislative and sectoral requirements, and the merged college will meet all the same legislative and sectoral requirements. This will be set out in the Equality, Diversity and Inclusivity Policy and associate documents.</p> <p>There may be a positive impact in enhancing access and opportunities regarding courses where there is an imbalance e.g., recruiting more female students for STEM courses and more male students for care related courses. In general, there are more female than male students in UHI, but this is a crude measure and course/sector levels will be required alongside targeted work to ensure barriers to engagement are diminished or removed. It is very unlikely the broader geographic area for the merged college and an enhanced curriculum with more access points (physical and online) without the work above will balance participation.</p> <p>The merged college will have mandatory reporting requirements which should clearly identify success in this area.</p>
Sexual orientation		✓	n/a

8	<p>Provide a final summary of the commitments/actions you will take as a result of completing this EQIA.</p> <p>Who will you consult with on your action plan and how will you do this to ensure the relevant stakeholders understand the equality impact?</p>
	<p>A significant amount of staff resource has already been dedicated to this project over the last year. Broad internal and external consultation has taken place, with another external consultation period on the full business case to commence in August 2022. Staff from the three current colleges are confident that current practices and corporate policies promote a fair environment free of structural discrimination, but nonetheless are committed to transparency in addressing discrimination or inequality they are notified of.</p> <p>As detailed above, staff are confident that there are potential positive impacts for the specific protected characteristics highlighted above, and that at worst there will be a neutral impact from any changes. The overall aim of the merger is to build on the strengths of the three colleges and improve in every way possible, which may lead to perceived improvements in the experiences of other protected characteristics, but this would be anecdotal and not easily measurable.</p> <p>We will make clear to our stakeholders that we have carried out this Equality Impact Assessment and seek feedback from groups to ensure our interpretation of the information tallies with the views of our students, staff, and external stakeholders.</p>

9	<p>Have you a plan in place to review your actions? Please provide a summary. Will plan require sign off and from where.</p>
	<p>Equality, diversity and inclusivity will become the responsibility of the college Board of Management on a strategic basis for the college; for staff the Human Resources team will be responsible on an operational basis, for students the student support team will be responsible on an operational basis, and for external stakeholders' operational responsibility will be shared across relevant teams.</p> <p>The merged college will comply with all necessary mandatory reporting as set out by Scottish Funding Council and Scottish Government and will employ best practice to remove barriers for members of underrepresented groups. Data to review the suggested positive impacts may be available through this mandatory reporting, but there may also be a requirement for qualitative analysis.</p>

Thank you for submitting your Equality Impact Assessment. Please return a copy to:

Phillipa Booth - email phillipa.booth@parliament.scot

For any assistance with completing this form please contact phillipa.booth@parliament.scot. Please retain a copy of the form for your records.

20.0 Appendix 5: Phase 1 Merger Budget

	Reallocated Budget
	Award
Direct Costs	
New Posts/Additional Staff Costs	
1 x 1fte Co-ordinator - 24 months	£49,988
1 x 1fte Communications Manager - 24 months	£17,500
3 x College Merger Officers - 18 months	£34,239
3 x 4 hrs per week HISA Officer time - 18 months	£3,951
Staff Backfill Requirements	
1 x 1 day per week Admin resource - 6 months	£2,666
1 x 0.5 day per week HR - industrial relations	£2,666
30 x 1 day week - working group resource	£49,988
10 x 0.5 day week working group leads	£16,663
Other	
Communications Agency Fees	£30,000
Due Diligence/input working groups	£50,000
Travel and subsistence	£26,199
Chair of Partnership Board	£8,441
Data Protection Services	£0
PR services	£4,407
Meeting / events	£750
Professional fees	£4,963
Other	£0
TOTAL PHASE 1	£302,421

Table A5.1:
Phase 1 Budget
(joint funded through SFC and UHI)

21.0 Appendix 6: Phase 2 Merger Budget

		Budget Request	Justification and Notes
Direct Costs			
New Posts/Additional Staff Costs			
1	Principal Designate 1 FTE 10 months	£138,542	TBC assumed 125K salary and 33% on-costs. If internally appointed associated savings will significantly reduce costs.
2	Merger Co-ordinator 1 FTE 12 Months July 22 - Aug 23	£99,975	Commenced January 2022
3	Communications Manager 0.8FTE July 22 - Aug 23	£47,880	Commenced April 2022
4	Project Administration 3 FTE 13 months	£55,385	Commenced Jan/Feb 2022: 50% £110770, rest to be covered by colleges
5	3 x 4 hrs per week HISA Officer time - 12 months Aug 22 - July 23	£19,393	Three Officers, one for each partner college 4 hours per week £8,050 plus Assistant Voice Manager with 0.4FTE dedicated to merger activities £11,343
Staff Backfill Requirements			
6	0.5fte PA resource	£8,180	Directed PA resource to free up time of Deputy Principal, Curriculum Manager & Finance Manager for merger activity at UHI OH
7	0.5fte Student Services	£7,315	To release two members of student services staff to work on merger at UHI OH
8	0.2fte Finance Director	£7,980	Current UHI OH Finance Director only 0.6fte, to allow additional time for merger
9	0.2fte Student Records Officer	£2,717	To release student records advisor at UHI OH to work on merger
10	0.2fte Student Experience Lead	£4,094	To lead student experience workstream following notice of UHI West Highland Lead
11	0.1fte Prof Frank Rennie Retainment 12 months	£9,310	To support research workstream and undertake leadership activities for merger team (post retirement re-appointment)
12	Backfill for staff	£110,000	To be individual contracts tbc and approved by SFC as required to support merger activity and buy out college staff / bring in additional resource and expertise. All proposed contracts to be passed via SFC and they will need to be invoiced directly for costs. This would not include overtime and will need justification on why the activity is crucial to the merger process/why there is a gap. All funds should be considered as a contingency for when key staffing issues arise
Other			
13	Communications Agency Fees	£32,760	£10000 Gaelic translation costs, £17,760 consultation processing costs, £5000 in-person consultation events costs
14	Due Diligence Overspend from Phase 1	£57,124	Phase 1 overspend. Phase 1 budget £50K, agreed tender £89,270K plus VAT total £107,124
15	Legal advice additional to DD	£85,000	Support for the legal wrap up of two colleges and transfer of assets and contracts to the new college etc. (Contingency pot to be drawn on as required)
16	Pensions and HR Advice	£15,000	For specific employment advice relating to the transfer of employees. TUPE training, relevant to the merger model being pursued and support for principal designate appointment process (contingency pot only to be drawn on as required)
17	Merger Coordinator / Principal Travel and Subsistence	£25,780	18 months travel for coordinator and principal designate across the 19 sites
18	Executive Team, Boards and Workstream Travel and Subsistence	£36,842	Two Away Days and cross college meetings
19	Data Protection (DPO and DPA)	£44,101	DPO £23,768 and DPA £20,333 for setting up new college - see notes under DPIA section for further context
20	Systems Implementation Consultancy	£25,000	Consultation costs for transferring three colleges onto one system (finance, payroll, HR, Estates, H&S and web development etc)
21	Re-branding costs (replacement of signs etc)	£30,000	Based on UHI rebranding costs for physical signs etc. (to include full rebrand of all 19 sites). In region of £18K for signs and then installation costs. Additional costs for consultancy for leading session to agree name/design to be £5000.
TOTAL PHASE 2 Budget		£862,378	
Merging Staff Costs			
22	Voluntary Severance	£1,000,000	20 staff with 12 months' severance at cost of £50K each, to be claimed based following each round of VS - First round of VS will be offered in August 2023 and scheme will open 2 - 3 times spreading costs over three years

Table A5.2:
Phase 2 budget
(Funded via SFC)

22.0 Appendix 7: Merger Risk Register

Ref ID	Risk Status	Category	Risk Description	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk in place	Residual Likelihood	Residual Impact	Residual Risk
College Alignment/1	Active	Organisational	Failure to agree business case	Business case fails to be agreed by internal stakeholders	Partnership Board and/or colleges fail to agree business case	Partnership Board	3-Possible	5-Catastrophic	15	Early and continuous engagement with internal stakeholders as per comms strategy	3-Possible	5-Catastrophic	15
College Alignment/2	Active	External	COVID-19 Resurgence	COVID-19 resurgence diverts attention from college alignment work to operations.	Previous rises in COVID-19 cases has required action as stipulated by Scottish Government and caused operational disruption in colleges	Partnership Board	5-Almost Certain	3-Significant	15	Remain engaged with Scottish Government and ensure COVID-19 mitigation is up to required standards	5-Almost Certain	2-Minor	10
College Alignment/3	Active	Organisational	Proposals not supported by staff	Lack of staff engagement and/or poor articulation of benefits of new college in comparison to existing structure	Staff do not feel informed about the project and disengage, not supporting the additional work that will be required for the processes of the alignment	Partnership Board	3-Possible	4-Major	12	Develop comms strategy and plan at an early stage with a strong focus on staff engagement across all colleges	2-Unlikely	2-Minor	4
College Alignment/4	Active	External	Trade unions do not support proposal	Business case or an element of the business case/proposals is not supported by trade unions	Lack of trade union support could result in withdrawal of staff support, making the project difficult to successfully complete	Partnership Board	3-Possible	4-Major	12	Early and continuous engagement with trade unions as per comms strategy	3-Possible	2-Minor	6
College Alignment/5	Active	Organisational	College staff capacity (general)	Insufficient staff resource in colleges to deliver business case on agreed timescale	Slippage in delivery of project milestones will eventually push delivery of new college into subsequent academic year and increase individual college risk exposure	Partnership Board	5-Almost Certain	4-Major	20	Identify staff resources required at an early stage and keep close watching brief on how work develops, quickly addressing any issues as they arise. New staff are being recruited to mitigate risk.	4-Likely	4-Major	16
College Alignment/6	Active	Organisational	Merger model	Internal and external stakeholders do not support the merger model and structure of the new college e.g. host or phoenix, incorporated or unincorporated	Trade unions have been vocal in their dissatisfaction with the decision to create an unincorporated college in Shetland	Partnership Board	4-Likely	4-Major	16	Develop an evidence base drawing on both the consultation responses and the due diligence work for the decision that is taken on the legal model.	3-Possible	4-Major	12
College Alignment/7	Active	Financial	Due diligence exposes insurmountable problem	Due diligence exposes one or more financial / legal / pensions issue that stops the project	An issue such as this would stop the project in its tracks, and any further work would likely not involve the college(s) with the issues and expose them to additional individual risk	Partnership Board	2-Unlikely	5-Catastrophic	10	Transparency around any concerns at an early stage in the process and open discussion by Partnership Board if issues begin to emerge	2-Unlikely	5-Catastrophic	10
College Alignment/8	Active	Organisational	Merger succeeds from legal perspective but fails from a functional perspective	Lack of full integration leaves vestiges of three colleges and staff working in silos rather than a single integrated organisation	Poor engagement with staff and/or trade unions and failure to heed warnings about emerging issues could increase likelihood of this risk becoming an issue	Partnership Board	3-Possible	4-Major	12	Early discussions with staff and clear articulation of integrated future which requires change to current practice rather than business as usual approach	2-Unlikely	4-Major	8
College Alignment/9	Active	External	External support collapse	One or more of a variety of external stakeholders could withdraw their support for the merger and/or business case	Dependent on the stakeholder, could vary from general dissatisfaction among an internal group or college to failure of merger	Partnership Board	3-Possible	5-Catastrophic	15	Early and continuous engagement with external stakeholders as per comms strategy	2-Unlikely	4-Major	8
College Alignment/10	Active	Organisational	Divergence between new college plan and strategic plan	New college is formed without sufficient reference to "Daring to be Different"	Would create downstream problems for the university partnership and new college that would require further mitigation when a key aim of the project is to reduce risks and issues	Partnership Board	3-Possible	3-Significant	9	Ensure that as planning for new college develops sufficient reference is made to strategic plan	2-Unlikely	1-Insignificant	2
College Alignment/11	Active	Organisational	Data protection breach	A data protection breach occurs as part of the merger process	Would attract negative press and bring into question the ability of the parties to complete a merger	Partnership Board	2-Unlikely	4-Major	8	Ensure that Data Protection Officer is engaged and appropriate guidance is followed throughout	1-Very Rare	4-Major	4
College Alignment/12	Active	Organisational	Data protection/GDPR work resourcing	Insufficient staff resource to complete data protection/GDPR work	Data protection/GDPR work is complex and onerous, requiring specialist knowledge. Failure to adequately complete this work could result in data protection breaches and GDPR failures.	Partnership Board	5-Almost Certain	4-Major	20	Scope work with Data Protection Officer, plan resourcing and maintain regular liaison with Data Protection Officer. Data protection/ GDPR to have own working group or be nested within another group	2-Unlikely	3-Significant	6
College Alignment/13	Active	External	No access to documents due to new COVID-19 lockdown	COVID-19 Omicron variant related lockdown in 2022 limits access to physical records required for working groups and due diligence	Some colleges in the merger have a disproportionately high number of physical rather than digital records. Increased disruption in early 2022 due to COVID-19 Omicron variant seems likely.	Partnership Board	2-Unlikely	4-Major	8	No current mitigation in place.	2-Unlikely	4-Major	8
College Alignment/14	Active	Financial	SFC funding as outlined in the Business Case is unviable / not approved	Due to national funding restrictions SFC are unable to fund merger costs	The merger team and SFC fail to agree a funding package that will effectively support the merger activity to vesting date and in ensuring the merged college has a solid financial position to ensure it becomes sustainable	Partnership Board	4-Likely	4-Major	16	Ongoing dialogue with SFC to outline key costs and impact of not having the appropriate support	4-Likely	4-Major	16

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