Islands Communities Impact Assessment

UHI Shetland – Changes to Services

15/05/2024

**Scope and Objectives of this Assessment**

This Islands Communities Impact Assessment has been progressed in response to proposals by the Board of Management of UHI Shetland to implement changes to service delivery. The changes are considered necessary by UHI Shetland to mitigate current financial challenges and to achieve a sustainable financial position.

This assessment has been progressed in accordance with Scottish Government guidance and the six step process.

# Step One – develop a clear understanding of your objectives:

The initial objective of this review and assessment is to determine whether in the University’s opinion the changes to services proposed by UHI Shetland are likely to have an effect on an island community that is significantly different from its effect on other communities.

**Overview**

The University of the Highlands and Islands (UHI) has been established for the advancement and pursuance of education, to advance all aspects of learning and knowledge and to provide and facilitate the delivery of industrial, commercial, professional, and scientific education, research, and training. The University is designated as a Regional Strategic Body (“RSB”) and is responsible for securing the coherent provision of high quality fundable further and higher education throughout the Highlands and Islands, Moray and Perthshire.

The University operates as a collegiate federal partnership and delivers tertiary education and world class research via collaboration with ten academic partner institutions including UHI Shetland.

The University is responsible for: Securing the coherent provision of high quality fundable further and higher education throughout the region, monitoring the performance of academic partners, and providing strategic leadership for the region including development of an overarching five-year strategic plan.

The University’s 203O strategic plan is available to view here: [Strategic Plan 2030 (uhi.ac.uk)](https://www.uhi.ac.uk/en/t4-media/one-web/university/about-uhi/facts-and-figures/publications/pdfs/uhi-strategic-plan-2030.pdf). The strategic plan was developed through consultation with academic partners and key stakeholders, and it sets out the key strategic priorities for the whole of UHI for the next 6 years.

Central to the strategy is a commitment to deliver Operational Excellence and to become a fully integrated and financially sustainable organisation.

UHI academic partners are accountable to the University for the use of all resources allocated by the University and for the organisation and control of teaching and research conducted within their college for and on behalf of the University.

Each academic partner is responsible for the financial management of their own institution.

* The University of the Highlands and Islands is a company limited by guarantee incorporated and registered in Scotland with company number SC148203. The University is also a charity registered in Scotland with registered number SC022228.

The University of the Highlands and Islands is designated as a Relevant Authority by section 7(2) of the Islands (Scotland) Act 2018 and is therefore required to prepare an island communities impact assessment in relation to any policy, strategy or service which in its opinion is likely to have an effect on and island community which is significantly different from its effect on other communities (including other island communities) in the area in which the authority exercises its functions.

* UHI Shetland is a company limited by guarantee incorporated and registered in Scotland with company number SC646337 with registered office at Gremista Industrial Estate, Lerwick, Shetland, ZE1 0PX. UHI Shetland is also a charity registered in Scotland with registered number SC050701.

UHI Shetland is not designated as a Relevant Authority under the Islands (Scotland) Act 2018. Furthermore, UHI Shetland is not currently an “Assigned” UHI college under the Post 16 Education (Scotland) Act 2013, however, efforts are currently being progressed to secure a statutory instrument under the Act to formally assign the college to the University. UHI Shetland is an Academic Partner of the University and the relationship between the University and UHI Shetland is prescribed within an Academic Partner Agreement and a Financial Memorandum between the college and the University.

# Step Two – gather your data and identify your stakeholders:

Shetland has a population of circa 23,000 people living across 16 inhabited islands. Access to Shetland is via overnight ferries connecting the Mainland to Scotland and regular flights from Sumburgh to Inverness, Aberdeen, Glasgow, Edinburgh, Manchester, and Bergen, Norway.

UHI Shetland is the most northerly partner of the University of the Highlands and Islands providing tertiary education, commercial training opportunities and research throughout Shetland.

The college currently delivers services from the following locations:

* Lerwick Campus (Gremista). Shetland UHI’s Lerwick Campus is based in the north end of Lerwick, in Gremista. The Lerwick Campus includes a library, training kitchen, construction workshop, the Textiles Facilitation Unit, as well as several classrooms with PCs and laptops.
* Islesburgh Learning Centre at Islesburgh Community Centre (Lerwick)
* Mareel (Lerwick) in partnership with Shetland Arts
* North Isles learning centres (Baltasound and Mid-Yell Junior High School).
* North Mainland learning centres (Brae High School and Mossbank Primary School).
* Scalloway Campus.
* Whalsay learning centre in Whalsay School library.

Stakeholders include current and prospective learners, staff, alumni, local employers, community groups, UHI, researchers, Shetland Islands Council, funders, Scottish Funding Council and Scottish Government.

The proposed changes to services offered by UHI Shetland are set out within a paper prepared by the Principal and Chief Executive Officer of UHI Shetland that was presented to the Board of Management of UHI Shetland for discussion and approval on 27th March 2024.

Broadly UHI Shetland is seeking to restructure its business to deliver recurrent savings of circa £1M per annum to achieve a financially sustainable college. Financial sustainability and value for money are key obligations in accordance with Company Law as a going concern, the Code of Good Governance for Scotland’s Colleges, and the Financial Memorandum.

Financial modelling undertaken by UHI Shetland, and the University of the Highlands and Islands forecasts a substantial deficit position this academic year and for future years. To mitigate this risk UHI Shetland has developed proposals to reduce activities and services including the merger of Community Learning and Business and Creative and Cultural Industries.

The college estimates that the proposed changes will impact upon approximately 7% of student enrolments (less than 20 students at FE and 1.6 FTEs at HE). It is anticipated that this impact can be mitigated through facilitating access to networked courses delivered by other UHI partner colleges, however, the equivalent of 12 students at FE may be affected where no UHI partner alternative provision has been identified.

UHI Shetland is also progressing a voluntary severance scheme, the scheme has been approved by the Scottish Funding Council and was launched for all staff on 21st March 2024, with an initial closing date for applications of 16th April 2024. The scheme was reopened for academic roles on 9th May with a closing date of 22nd May 2024.

UHI Shetland has operated a recruitment freeze since May 2022. This policy has resulted in a reduction of headcount from 136 staff employed by UHI Shetland to 116 staff at the end of February 2024. This is an FTE reduction from 114.8 to 102.

 

The current forecast as shown indicates a significant deficit and UHI Shetland must reduce expenditure or significantly increase income to achieve a balanced budget. In common with the college sector the main item for expenditure at UHI Shetland is staff (approximately 73% per annum), this is higher than the national average and the college is currently seeking to reduce staff in academic sections to achieve savings in AY 2024/25.

UHI Shetland is also proposing to reduce estate costs through a consolidation of services and activities to a single campus. UHI Shetland intends to mitigate this risk by enhancing the support provided for distance learning students to replace existing Learning Centre provision and by investing in the retained campus.

UHI Shetland has outlined an intention to consult stakeholders at each stage of its restructure process and to progress any changes to services in accordance with the following guiding principles:

* Improving student experience
* Enabling growth of activity
* Supporting the economy of Shetland
* Ensuring efficiency and economy of UHI Shetland
* Commitment to present staff
* Minimising disruption to staff and students

# Step Three - Consultation:

This review has been progressed in consultation with the Principal and Chief Executive Officer of UHI Shetland.

It is clear from discussion that UHI Shetland is committed to effective consultation. The proposed restructure will be progressed in accordance with the UHI Shetland Organisational Restructuring Policy and Procedure. That policy was developed in consultation with trade union representatives and was formally approved by UHI Shetland LNCC on 7th February 2022.

UHI Shetland can evidence that it has developed the proposals to incorporate staff feedback and is committed to further development of the proposal as appropriate and in accordance with a desire to minimise redundancies. The college has established a dedicated email address to receive comments and feedback and has published FAQs on the Staff Intranet.

As a result of concerted action over academic year 2023-24 a final version of the restructuring plan was taken to the UHI Shetland Board on 16th May and the plan was agreed and further the college was committed to no compulsory redundancies to August 31st 2024.

# Step Four – Assessment:

The University considers that the proposals to change services made by UHI Shetland are necessary and proportionate to achieve a financially sustainable college. The financial challenges experienced by UHI Shetland are similar and consistent with those being experienced across the UHI partnership and the wider college and university sectors.

In accordance with the University’s 2030 Strategic Plan, the University and all UHI partners are seeking to deliver operational excellence to become a more integrated institution and to become financially sustainable.

The University believes that the changes to services and provision proposed by UHI Shetland are not likely to have an effect on an island community which is significantly different from the effects on other communities (including other island communities) during this period of sectoral financial reform and on this basis a fuller and more detailed Islands Community Impact Assessment is not required.

# Step Five – Preparing your ICIA:

No further assessment is deemed to be required.

# Step six – Making Adjustments to your work.

No further assessment is deemed to be required.

# Step Seven – Publishing your ICIA:

All UHI policies are available from the policies section of the Governance page on the UHI website:

[Governance - Policies and regulations (uhi.ac.uk)](https://www.uhi.ac.uk/en/about-uhi/governance/policies-and-regulations/)

## ICIA completed by: Roger Sendall

## Position: UHI Director of Corporate Governance and Deputy Secretary

Signature: R J Sendall

Date completed: 17/05/2024.