

# **EIS-FELA Members' Headline Issues from Outline Business Case on UHI Transformation Strategy**

**August 2025**

## Trade Union Engagement

EIS-FELA responded to the UHI survey which closed in May 2025 with all the points highlighted in the previous members' bulletin (March 2025 and restated below). There have been two national union engagement forums since then where we have made the point that there appears to be no scope for meaningful union consultation or negotiation. Responses from the vast majority of constituent and regional MSPs, of all parties, who were written to in June, have been encouraging with many directly engaging with UHI to echo our concerns. UHI have invited an EIS-FELA rep on to the Transition Oversight Board, as well as on to a variety of workstreams. We are requesting further information about the workstreams to ensure reps will have appropriate channels to challenge or oppose any decisions being made as the process continues. However, we remain concerned that no formal union consultation arrangements have been determined. Equality impact assessments and island impact assessments should be conducted. Please see the timeline of events to date in Appendix 1 of this document.

## Governance and Oversight

We understand the Full Business Case will not be finalised until December. We understand that the workstreams will feed in to the Transition Oversight Board in preparing the Full Business case (FBC) but this will have to be approved by each College Board and UHI Court. It is likely that the FBC will require public consultation prior to a statutory consultation period. We understand UHI have been engaging with the Scottish Funding Council who have provided £1.45m to progress the Full Business Case. A variety of external consultancy and accountancy firms (Ernst & Young, Diffley Partnership, and KPMG) will be paid by UHI to assist.

## Single tertiary institution i.e. university

National EIS-FELA policy is that further education should be delivered by FE lecturers with nationally agreed terms and conditions (including pay, permanence and preparation time). EIS-FELA's position is to oppose the merging of FE colleges into one single tertiary institution which is, in reality, a private university. The reasons are stated below.

## Privatisation

UHI North, West and Hebrides, UHI Moray, UHI Perth and UHI Inverness colleges are all incorporated further education colleges i.e. they are within the public sector and have public sector reporting requirements including a direct line of accountability to Ministers

and Parliament. UHI Argyll is, historically, non-incorporated and UHI Shetland College was still within Shetland Council's purview until a merger and privatisation in 2021.

The favoured option in the UHI Outline Business Case would remove all UHI colleges (bar Orkney and specialist colleges - HTC, SAMS, and Sabhal Mòr Ostaig) from the public sector (incorporation), and merge them into UHI. As the UHI is technically a company limited by guarantee, then the FE colleges would be taken over by UHI and become part of that private company.

Previous arguments for privatisation in Shetland were that this would allow for greater 'flexibility' and ability to raise funds. The same arguments are used on pages 39 and 50 of the outline business case. It has not worked in Shetland and privatisation of public services has never meant they become more sustainable. EIS-FELA policy is against privatisation because public sector bodies are scrutinised by Audit Scotland, accountable to Scottish Parliament and underwritten by the state. Staff are public servants, and their pensions are also underwritten by the state. Issues such as large-scale redundancies are issues for Scottish Parliament and thus public campaigning can be influential.

#### No National Bargaining

The closure of the FE colleges and TUPE into UHI would probably mean the end of national bargaining in the current format. FE college staff would be transferred into the employment of the HE sector; when the three land-based colleges merged (and disappeared into) the SAC to form the SRUC (a HEI), their staff left the NJNC. SRUC staff are paid less than FE colleges and have worse holidays.

Universities do not have national bargaining on terms and conditions, only the values of a national pay spine (New JNCHES) and neither the UHI nor SRUC are a signatory to any national bargaining (New JNCHES in HE) ; there would only be local collective bargaining.

This has huge potential for significant impact on members' lives in terms of pay, preparation time, job role and profile, and security of contract. At best, existing staff would be TUPE'D with frozen T&Cs. New staff would likely take on UHI EO contracts and pensions.

The UHI EO has only recently recognised one trade union, and whilst we are confident that EIS recognition would be continued in the new entity, the reality is that UHI has always avoided working with the EIS and other trade unions. It has no culture of collective bargaining, and their staff are paid less than NJNC lecturers in FE!

Over time the FE nature of contracts, collective bargaining etc would diminish.

#### Pensions

The business case reads that there are a variety of pension schemes within UHI and due diligence is being undertaken at least partly to minimise “section 75” debt (liability on employer to pay their share of debt if leaving a pension scheme). The UHI Shared Services’ planned merger a few years ago was thwarted by pension complications. It may not be quite so simple.

Pensions are not protected in TUPE transfers i.e if staff are transferred to a UHI entity.

The Business Case mistakenly says that the USS pension scheme is a defined benefit scheme, it is actually a hybrid scheme with a salary cap on the defined benefit section. There will be further information available on USS, STPS and the impact of this proposal shared at the EIS-FELA all members’ meeting on 23<sup>rd</sup> April, but USS accrual is lower than STPS. University employers are also not guaranteed funding by Scottish Government for increased pension contributions, unlike FE colleges which have been.

### Lack of Educational Rationale

The outline business case has a financial case, a commercial case, an economic case, and a management case but no educational rationale for the proposal. There are huge concerns around access to further education if this proposal is realised. Already across partner colleges there has been a reduction of FE teaching, with some colleges delivering specialist areas only. A further move towards online teaching will have a detrimental impact on many FE learners. It is likely that FE provision would be further subsumed into HE and, ultimately, lost. This is due to the way in which FE and HE are funded i.e. an institution receives more funding (in general terms) for HE than FE courses which are seen as more ‘resource intensive’. This is particularly true for any additional support for learning. The idea of ‘opportunity for all’ seems very difficult to envisage with this proposal and making the educational case has been ignored. It is difficult to see how the student experience will be improved.

### Centralisation

The further centralisation of provision and decision making is likely to lead to less local decision-making whereby it is more difficult to respond to the needs of local communities. Relations with local communities can deteriorate since decisions are no longer made at local level and local facilities and campuses are run-down to save costs.

As has happened in Scotland’s Rural College (SRUC), which was a merger of colleges into a HEI institution covering FE and HE, a two-tier workforce may lead to a gradual replacement of local FE lecturers with lecturers with PhDs i.e. staffing would follow HE staff trends. Universities are international entities, built on reputation and always seeking the best students and staff.

Universities have also traditionally made far greater use of casual staff than FE colleges. A UHI takeover merger of FE colleges may lead to further casualisation of staff and would not necessarily promote job opportunities for local communities.

The impact on island and rural communities could be significant.

The SRUC merger destroyed FE provision in the previous three land-based FE colleges. One campus<sup>1</sup> is almost mothballed and the others are simply satellites to feed the central SRUC entity.

### Sustainability

Becoming a larger university does not solve the issue of sustainability. We only have to look at Dundee University to see the structural problem of under-funding and poor management.

UHI Executive Office already takes 15% of all regional funding from the SFC to be distributed to the colleges yet does not appear to have effective oversight of how the money is then shared amongst the partner colleges dependent on their teaching delivery. Vicki Nairn, UHI Principal, was questioned about this ‘top-slice’ during an evidence session in the Scottish Parliament in June (see Appendix 1). This is a worrying issue of governance which would need to be addressed to provide for any financial sustainability going forward.

A larger more unified university will need to increase its revenues, and in the Higher Education world this is usually done by recruiting to international students or rest of UK students – this may squeeze out local students – particularly those on the FE end of the tertiary spectrum. In other words, local students may need to move from the Highlands and Islands to access the FE courses and training that they need. This may exacerbate de-population concerns and goes against the founding principles of the UHI.

## **What is to be done?**

It is possible that further consultation will be announced but, if the proposal moves to the next steps, then a statutory consultation period must be held as the incorporated colleges cannot be closed and taken over by UHI without parliamentary scrutiny and approval. The Holyrood elections are being held in 2026 and it is likely UHI will want to have a lot of this work progressed prior to then.

You need answers on the headline issues above, but you also need the opportunity to make your own case for UHI reform – educationally, for the benefit of local communities, in a democratic way which will not simply kick the issue of finance and governance down the road. Now is the time to ensure your vision of UHI transformation is seen.

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<sup>1</sup> <https://www.thecourier.co.uk/fp/news/fife/5207844/elmwood-campus-closure-fear/>

Nationally we will ensure advice and representation throughout this period on all of the issues outlined. Members should work through their EIS-FELA branches to raise awareness with colleagues including non-members, students and the local community about the impact this proposed merger and privatisation will have.

The next EIS-FELA UHI all-members' meeting takes place at **4pm on Tuesday 9<sup>th</sup> September**. A link will be sent to all impacted EIS-FELA members.

## Appendix 1 – Timeline to date

- January 2025 - National TUs told there would be future meetings on UHI operating models
- February – local colleges had presentations from UHI on the transformation agenda (nothing since as of 7<sup>th</sup> May)
- 24<sup>th</sup> March - 2nd May 2025 - [online survey](#) open to the public (EIS-FELA nationally [responded](#) on 2nd May )
- 25<sup>th</sup> March 2025 – first UHI ‘engagement’ meeting with national TU officers with presentation which states *“These seven principles have been agreed by the partnership, and are the catalyst for all decision making throughout the transformation journey:...single point decision making and become fully tertiary in everything that we do”* despite that concept apparently being open for consultation via online survey and with local TUs.
- 17<sup>th</sup> April 2025 - [Fol on sums paid to Ernst and Young for the options appraisal](#) = £208,770.90 and to [Diffley Partnership](#) = £16,700.
- 23<sup>rd</sup> April – first EIS-FELA UHI all members meeting.
- 5<sup>th</sup> May 2025 – UHI Shetland LNCC. Asked when redacted OBC to be made available to staff. Principal advised she understood it was already on UHI Transformation SharePoint area. Said no consultation locally because it was a UHI wide consultation.  
On the question of lack of local consultation with unions advised that as merger is a UHI wide issue union consultation will be UHI wide and with full-time officers. We emphasised we have well established and effective union consultation locally and that members locally will be impacted by the merger. Principal to raise this issue again with UHI wide Transformation management.
- 6<sup>th</sup> May 2025 - correspondence ongoing with SFC on what funding and engagement they are providing.
- 7<sup>th</sup> May – second EIS-FELA UHI all-members’ meeting and response submitted to UHI survey on behalf of EIS-FELA.
- 27<sup>th</sup> May – second UHI national ‘engagement’ meeting requesting concrete proposals on how meaningful engagement with unions will be carried out.
- 18<sup>th</sup> June Education, Children and Young People’s Committee of Scottish Parliament with [evidence from Vicki Nairn, UHI Principal](#).
- 7<sup>th</sup> July – third UHI national ‘engagement’ meeting with UHI outlining that they will invite EIS-FELA rep on to the Transition Oversight Board and reps on to workstreams.
- 26<sup>th</sup> August – names sent to UHI re reps attending workstreams and requesting fourth meeting of the national engagement forum.
- Tuesday 9<sup>th</sup> September - EIS-FELA UHI all members meeting