

UHI Inverness

Externally Facilitated Effectiveness Review

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FINAL REPORT



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1 INTRODUCTION

The **Code of Good Governance for Scotland's Colleges (the Code)** sets out the principles of good governance for colleges in Scotland. This review is against the 2024 Edition of the Code.

This review also takes into account the CDN [‘Overview of the External Governance Effectiveness Reviews for Scotland's Colleges 2020/21’](#) and the examples of effective governance practice highlighted in the report.

All colleges that receive funding from the Scottish Funding Council or, as in the case of UHI Inverness, a regional strategic body must comply with the Code as a condition of grant. Each board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.

The Code states that the college board must have in place a robust self-evaluation process. Para D. 24 states

‘The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three to five years’.

‘The Guide for Board Members in the College Sector’ and the ‘Board Development Framework’ provide additional guidance for college board members and Governance Professionals.

Methodology

This external effectiveness review included several stages aimed at building up an overview of the board's effectiveness. The components of the review process were:

- Initial meeting with the Chair, Principal and Governance Professional to agree the scope of the review and the overall project plan, 7th August 2025
- Observation of the 7th of October Board meeting
- Desk review of core governance documentation, including Board and Committee agendas reports and minutes.
- Interviews with the Chair, Vice Chair and Chair of LT&R Committee, Principal, Governance Professional, Chairs of FGP, HR, and Audit Committees, Student Member (with the outgoing Student Member), Academic and Professional Staff Members, TU Member, and a new Member.
- Board survey to seek Members' views of governing processes
- Board workshop to review conclusions and recommendations

2 EXECUTIVE SUMMARY

This is an external effectiveness review (EER) of the governance arrangements of UHI Inverness which is a college assigned to the University of the Highlands and Islands (UHI)

This review has been undertaken at a time of change, and some uncertainty, with the progression of the UHI Transformation Project. This is an ongoing, large-scale change programme aimed at making the University of the Highlands and Islands (UHI) and its network of colleges more integrated, efficient, and sustainable. A number of options are being considered each of which will have an impact on the governance of UHI Inverness.

This is an effective Board with committed and experienced members who understand their role and responsibilities. The results of the Board Survey reported high levels of satisfaction across all of the requirements of the Code.

Members provide constructive challenge balanced with support, holding the executive team to account for the delivery of agreed objectives.

Board practice clearly demonstrates compliance with the five principles set out in the Code. There is a commitment to embedding high standards of governance, which is well supported by the Governance Professional.

The new Chair, who was appointed in January 2025, has clear ambitions for the college and student success, enhancing the student experience and working towards financial sustainability.

Board culture is open, transparent, and supportive, and is underpinned by mutual respect and good communications.

There is a strong working relationship between the Chair, Principal and Governance Professional based on respect and an appreciation of roles and responsibilities.

There is a mature relationship between the Board and the executive team which is also based on respect and a clear understanding of roles and responsibilities. The committees are well supported by members of the executive team.

Following the last EER in 2021, a Board of Management Development Plan was put in place based on the recommendations in the report. All but one of the actions have been completed. The remaining action, building links with UHI, is ongoing. The successful completion of the Development Plan has had a positive impact on the governance arrangements of the college.

Although there is an excellent range of skills and experience across the Board there is a high proportion of relatively new members, who have joined in the last year or so, plus the new co-opted members. It is important to keep building the 'new' Board team, allow space for members to build effective working relationships and to ensure that new members benefit from the induction training, build confidence and quickly 'find their voice'.

3 EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES

3.1 Leadership and Strategy

This is an effective Board, and a high performing college in terms of student outcomes and student satisfaction.

Members understand strategic leadership, collective responsibility and the importance of setting and upholding the values and ethos of the college.

The Chair, who was appointed in January 2025, is providing proactive and effective leadership, building on the legacy of the previous Chair.

Board culture is open, reflective, transparent, and supportive. There is a clear commitment, and a rigorous approach, to embedding the principles of good governance.

The Board acknowledges the need for change to ensure the sustainability of the college, and the UHI partnership, and has engaged positively with the UHI Transformation Project. However, the Chair and the Board are clear that transparency, accountability, and proper governance principles must be maintained throughout, and that the quality of the student experience should be at the forefront.

The Transformation Project has taken up a significant amount of Board, and executive, time and energy adding additional pressure to the workload. In response to volume of business the Chair has re-structured Board meetings to allow time for robust scrutiny and debate.

Board members, at the time, were engaged in the development of the Strategic Plan 2022-2026, setting the purpose, vision, and values for the college along with the five strategic aims. Strategic KPIs were agreed which underpinned the strategic objectives.

Planning is now underway to refresh the strategic plan for the period 2026 onwards starting with an away day in February 2026. The student voice and the quality of the student experience will be central to board discussions and decision making.

Strategic planning will be a robust process, and each committee will be invited to reflect on progress and consider priorities for the future, based on the needs of students and the local economy.

Performance

There is a comprehensive performance measurement system in place. Each of the strategic aims is mapped to a set of KPIs which are reported to the relevant committees and then to the Board.

A KPI Matrix provides members with information on performance compared to targets set, and these are RAG rated. This is supported by useful narrative which provides further information on the RAG rating.

This approach enables the Board to monitor progress against strategic priorities and provide appropriate challenge and oversight.

Corporate Social Responsibility

The Board demonstrates high levels of corporate social responsibility and the Strategic Plan describes the contribution that the college makes to local economic development while improving the prospects of local communities.

Recommendation

The college is well connected to local, regional, and national initiatives but this is not always clear to Board members, especially the newer members. As part of the strategic planning process consideration should be given to a stakeholder mapping exercise. This would enable members to understand how the college interacts with the wider operating environment and support effective decision making.

3.2 Quality of the Student Experience

The quality of the student experience is clearly at the core of Board and committee discussion and decision making. The student voice, wellbeing and progression underpins debate and decision making. The Board has supported a range of initiatives to enhance the student experience and support the more disadvantaged students.

The Chair has met with the new student member, and discussed support and training needs to enable her to effectively fulfil her role as a full member of the board. The Chair also conducted an exit interview with the outgoing student member to discuss their experience and identify recommendations for the future.

The commitment to providing the best student experience is set out in the Strategic Plan 2022-2026.

“We will create a vibrant student experience that is underpinned by creative learning and teaching and proactive student support, designed through collaboration between students, staff and the wider community. We will ensure that all our students are supported at every stage of their journey, to achieve their full potential.”

The remit for the Learning, Teaching and Research Committee sets out the commitment to enhancing the student experience and quality monitoring and oversight.

“The Committee has overall strategic responsibility for developing, monitoring, and enhancing the direction and performance of learning, teaching, and research at the College as part of delivering excellence in the overall student experience, research, and impact.”

The Learning, Teaching and Research Committee plays a key role in scrutinising learning outcomes and student feedback and providing assurance to the full Board on the quality of the student experience and the provision of high quality and relevant learning.

This is a high performing college in relation to student outcomes and student satisfaction, with ambitions for further improvements over this academic year.

The student outcomes and satisfaction report to the Board on 7th October 2025 detailed improvements in student outcome across FE, HNC and HND courses. When compared to the latest published sector benchmarks UHI Inverness is one of the top performing colleges in Scotland.

Student satisfaction for 2024.25 also saw significant improvements sitting at 95% for the main survey, which was above target and the sector benchmark.

3.3 Board Accountability

The Board has effective oversight of the delivery of the agreed outcomes. As noted above the Board and committees receive regular updates on outcomes against targets set.

The KPI matrix provides detailed information on current year target, YTD target and YTD actual with a RAG rating which reflects YTD actual vs target.

Governance documents are comprehensive and kept under regular review. New members receive an Induction Handbook which introduces the college, the governance arrangements, and the role of a Board member.

Each committee, and the Board, has a Terms of Reference which sets out the membership and remit of the committee or Board. These are reviewed on a regular basis.

The committees are effectively led by skilled Chairs; agendas are well structured and aligned to the strategic objectives.

The committees are,

- Audit
- Finance and General Purposes
- Human Resources
- Learning, Teaching and Research
- Chairs
- Performance Review and Remuneration
- Search and Nominations

The committees are well run, and there is an appropriate level of trust in the committees to be rigorous in their scrutiny and provide assurance to the Board. Productive working relationships have been established between committee Chairs and the executive team members supporting each committee.

In response to the volume of business and in order to allow sufficient time for robust scrutiny and debate, changes have introduced to the structure of Board meetings. The effective use of the wider governance space through allocating time for creative space will continue but as separate sessions.

Members recently received training on the Ethical Standards Framework and the college Code of Conduct, including conflicts of interest and collective responsibility.

Decision making is transparent, properly informed and underpinned by collective responsibility. Decisions are based on robust data provided to members.

Board and committee papers are high quality, comprehensive and support strategic decision making. Each paper has a cover paper which provides a brief summary of the report, the action required and links to strategic objectives.

Currently papers are emailed securely to members. All governance documents and Board papers have recently been moved to SharePoint which will enable members to manage their papers and access core documents more efficiently.

The Board and each committee conduct an annual self-evaluation, and the outcome feeds into the Board Development Plan.

Financial Sustainability

The Finance and Purposes Committee has responsibility for “developing, monitoring, and enhancing the direction and oversight of the College’s financial affairs. This includes monitoring the financial position of the college and reporting to the Board on any necessary action required.”

The college sector in Scotland is facing significant financial pressures, and in particular the UHI colleges are facing financial sustainability challenges.

The Board has a clear focus on financial sustainability and acknowledges that managing a deficit budget through the use of reserves is not a sustainable position. The Board, the Principal and the executive team have been working to implement measures to reduce the deficit, improve efficiency and strengthen the long-term sustainability of the college.

The Board approved the Revenue Budget for AY 2025-26 at the 24th of June 2025 meeting after careful scrutiny and on the basis of some specified conditions. The report had been previously considered by the Finance and General Purposes committee on 12 June 2025 and recommended to the Board for approval.

Risk Management

There is a robust approach to risk management. The Audit Committee considers and approves the Risk Register before it is submitted to the Board. This is accompanied by a clear narrative detailing the current and future mitigations for each red risk. A Heat Map presents a useful one-page summary of current risks.

The Audit Committee meets with the Auditors annually without the presence of the executive Team.

3.4 Board Effectiveness

This is an effective Board which benefits from a diverse range of skills and professional backgrounds, enabling informed scrutiny and debate.

The Chair provides effective leadership, setting the Board agenda and ensuring that there is a constructive culture based on openness, teamworking and informed debate. All members are encouraged to contribute to Board discussions.

As noted above, in response to the increasing volume of business, the Chair has restructured the Board meeting to allow greater time for scrutiny and discussion.

The Governance Professional provides valuable support and advice to the Board, committees, and individual members.

Committee membership is reviewed by the Chair's Committee and approved by the Board to ensure a balance of essential skills, experience, and knowledge. Four co-opted members have been appointed to fill identified skills gaps on committees. These co-opted members were invited to the June 2025 Board meeting as observers.

The Board provides an appropriate balance of constructive challenge and support to the Principal and the Executive Team. The KPI Matrix is a useful tool used by the Board to hold the executive to account for achieving agreed outcomes.

Member benefit from comprehensive induction training which is reviewed after three months. Following the first round of committee meetings attended by new members further training needs are reviewed. The Handbook for members of the Board of Management of UHI Inverness (March 2025) provides valuable information on the college, the role of a board member and the governance arrangements of the college

The Board Development Plan was considered by the Board in March 2025. The plan covers

- Recruitment and induction for new Board Members
- Stakeholder engagement annual plan
- Training and Development plan for 2025.26
- Board Effectiveness Reviews, including Chair and committee evaluations
- Details of the External Effectiveness Reviews (EERs)

There is some concern about the low take up of training by members, currently sitting at 30%, this is being kept under careful review, and will be added to the Risk Register.

Members are actively encouraged to engage with the CDN Governance Development Programme which offers a range of training and development opportunities.

As part of the Board Development Plan, members recently benefitted from training on the Ethical Standards Framework, which included the Code of Conduct and the Nine Principles of Public Life.

There is effective use of the wider governance space with Creative Space Sessions built in to allow members to consider a range of issues in a more relaxed environment.

Recommendations

1. Committee membership should be reviewed on an annual basis to ensure the best match of skills to the work of the committees but also to provide members the opportunity to develop their experience.
2. As noted above, this is a relatively 'young' board in terms of tenure with a substantial proportion of members having joined in the last year or so. It is important to keep building the 'new' Board team, allow space for members to build effective working relationships and to ensure that new members benefit from the induction training, build confidence and quickly 'find their voice'.

3.5 Relationships and Collaboration

The Board understands the importance of working in partnership to ensure the provision of high-quality coherent education and meeting the needs of the local labour market. This is highlighted in the Strategic Plan.

The Board receives regular updates on collaboration with local employers and other stakeholders.

As noted above, as part of the strategic planning process consideration should be given to a stakeholder mapping exercise.

4 RECOMMENDATIONS

1	<u>Strategic Planning</u> <ul style="list-style-type: none"> As part of the strategic planning process consideration should be given to a stakeholder mapping exercise. This would enable all members to better understand the wider operating environment and support effective decision making.
2	<u>Committee Membership</u> <ul style="list-style-type: none"> Committee membership should be reviewed on an annual basis to ensure the best match of skills to the work of the committees but also to provide members the opportunity to develop their knowledge and experience.
3	<u>Team Building</u> <ul style="list-style-type: none"> Although there is an excellent range of skills and experience across the Board there is a high proportion of relatively new members, plus the new co-opted members. It is important to keep building the 'new' Board team, allowing space for members to build effective working relationships. The strategic planning process should provide a useful platform for team building.
4	<u>New Members</u> <ul style="list-style-type: none"> Ensure that new members benefit from the induction training, build confidence and quickly 'find their voice'.

5 ANNEX 1

5.1 Document Review

1. Core Governance documents, including Standing Orders, Scheme of Delegation
2. Board of Management and Committees terms of reference
3. Strategic Plan 2022-26
4. Financial statements 31.07.2024
5. Board agenda and papers June and October 2025 meetings
6. Internal and external audit reports
7. Board member profiles
8. Members Handbook
9. Induction Checklist
10. External Effectiveness Review January 2021
11. Board Development Plan March 2025
12. Risk Register

Footnote

The reviewer would like to thank the Board Chair, Principal, members, and the Governance Professional for their assistance and insight with this external effectiveness review.