

Programme Board – College Merger
Room D24, Shetland College, Gremista, Lerwick
Thursday 30 May 2019 at 2 p.m.

Present:

Board Members

George Smith SIC SC
 Peter Campbell SIC SC *[Joint Chair]*
 Davie Sandison NAFC *[Joint Chair]*
 Irene Hambleton NAFC *[substitute]*
 Howie Thomson NAFC staff rep *[substitute]*
 Glenn Gilfillan NAFC staff rep
 Andrew Anderson SIC SC staff rep
 Kevin Briggs SIC SC staff rep *[substitute]*
 Sorcha Kirker Student rep *[by VC]*
 Diane Rawlinson UHI *[by VC]*
 Sharon Drysdale Scottish Funding Council *[by telephone]*

Apologies

George Sutherland NAFC
 Beth Mouat NAFC staff rep
 Rory Gillies SIC SC staff rep
 Tegan Patterson Student rep
 Neil Grant SIC Director of Development *[Observer]*

Observers

Willie Shannon Joint Principal NAFC/SC

Board Support

Max Brown UHI Programme Director – Integration
 Ruth Campbell UHI Project Manager
 Anne Cogle SIC Team Leader – Administration *[Minutes]*

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Chair	Mr P Campbell, Joint Chair, chaired the meeting.
Welcome and Apologies	Mr Campbell welcomed everyone to the meeting, in particular the Staff and Student representatives, and those substituting. Apologies were noted as above, and it was noted that Ms Drysdale would join the meeting later. It was further noted that minutes would now be undertaken by staff from the Council's Committee Services team, and Ms Cogle was introduced to the Board.
Minute - 30 April 2019	The minute of the meeting held on 30 April was approved as an accurate record.

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<p>Minute - 30 April 2019 - Matters Arising – Item 3 – NAFC Marine Trust Assurances</p>	<p>Mr D Sandison asked what further specific assurances, if any, had been given by the Council in relation to the pension liabilities, particularly deferred and active pensioners. Mr Brown advised the SIC Chief Executive had confirmed that assurances had been given by the Council in terms of its decision, and there would be no further assurances provided.</p> <p>Mr Campbell said that the Council accepts that the Council has made its decision, and that it would be the case that assurance had been given with regard to the pension cessation costs. He said that another decision of the Council would be required to change that but, in his view, he did not think that was likely as its position was clearly stated.</p> <p>Mr Sandison said he did not find the response from the Council acceptable. He said that the NAFC were asking for further clarification about the decision – clarity about the meaning of it – and he did not find the response from the Council as being satisfactory. Mr Sandison said it was a simple, straightforward request for clarification of the decision already made.</p> <p>Mr G Smith said his understanding of the Council’s decision was as recorded in the minute of the Council meeting, and anything else would be an interpretation of that. Mr Campbell said he saw no mileage in trying to interpret the decision, and agreed it was as stated in the Council’s minute, and it was not for the Chief Executive to try and put another interpretation on that.</p> <p>Mr Sandison added that the Council’s Chief Executive had been given extensive delegated authority to take forward the decision made by the Council, and the Board was in the middle of trying to make matters understood by all. In this regard, Mr Sandison said that further clarification as to the extent of the parameters to be applied was needed, and he reiterated the need to satisfy a straightforward request from one of the other parties affected.</p> <p>Mr Brown said that the Chief Executive had stated the decision was as minuted, and that pension cessation costs are to be met by the Council as part of the College merger, and this was quite a broad assurance.</p> <p>Ms Hambleton said that cessation costs could mean different things, but suggested that this should be minuted as a risk to the project. She went on to say that this matter had been identified by the SFC as part of the GAP funding analysis, and said that whilst she had seen some of the information on that, it was limited in detail.</p> <p>Mr Brown confirmed that the SFC gap analysis had raised some questions regarding pensions. Ms Campbell said this was clearly a wider piece of work that she would take forward in order to identify any further information to inform the Ministerial Merger Business Case. Mr Brown agreed to circulate the SFC comments to Board members for information.</p>

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	<p>Mr Anderson commented that there was a remaining concern as to how relevant the decision made by the Council would be, if there was further information to be added to the agreed Full Business Case.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Request again further detail and clarification from the SIC on pension cessation costs • Note Pension Cessation Costs as a Risk to the Project • Circulate SFC comments to all Board members for information
<p>PB2019-09 Shadow Board Terms of Reference</p>	<p>The Programme Board considered a paper by the UHI Programme Director, setting out the draft Terms of Reference for the Shadow board. The Programme Board was asked to approve the draft Terms of Reference, subject to any request for adjustments as they saw fit.</p> <p>Mr G Smith said he had given the draft Terms of Reference some thought, and it was clear the Shadow Board remit was to make sure component parts of the merger were brought together and much of that was about assurance and scrutiny. In this regard, Mr Smith said this led him to think about who should vote, and who should not vote, when such decisions were being made. Mr Smith said he wanted to make clear that he was not wanting to stop anyone being in that position on the new Board, but for the Shadow Board, it may not be appropriate for some members to have voting rights. He asked, in particular, if the Shadow Board was to consider staffing structures, and related budgets, would it be appropriate for staff representatives to have voting rights on those issues, as there would be conflicts, either real or perceived, and similar issues could be raised with giving voting rights to the non-Executive members on the Shadow Board. Mr Smith said it would be a different matter when it comes to the Board itself, but he was not sure that the membership and voting rights of the Programme Board and the proposed Shadow Board were compatible with their remits.</p> <p>Mr P Campbell said it could be advisable for the Shadow Board to have a register of interests for its members. This would allow members to declare their interests, if any, and to exclude themselves from that part of the decision.</p> <p>Mr G Smith said that there was a need to acknowledge that there would be conflicts of interests, or at least the potential for such conflicts, and said it would be in, in his opinion, clearer if a decision was made as to who could and who could not vote.</p> <p>Mr G Gilfillan said he totally understood the point regarding staffing structures and conflicts for staff in such situations, but he could not see how this would also apply to draft budgets. Mr G Smith explained that the budgets could be looking at reductions in areas, such as staffing or curriculum, that were directly related to the interests of a staff member on the Shadow Board.</p>

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	<p>Mr A Anderson asked for guidance on how to take this matter forward.</p> <p>Ms S Kirker said she thought that staff members should have a vote, in terms of the Good Practice Guidelines for Colleges, and this would allow the Board to be the platform for staff and student representatives.</p> <p>Mr Smith said that his concern was with regard to the short term appointments on the Shadow Board, as he thought there was a distinction that had to be made between the appointments to the new full Board, and this proposed Shadow Board as the remits were different.</p> <p>Mr Shannon observed that it was useful for staff and students to give their views at such meetings, and it would be important to avoid any sense of disparity. He suggested that the arrangements could be tried out for a while to see how they go.</p> <p>Mr Smith reiterated his point that the Shadow Board would have a completely different role to that of the new Board.</p> <p>Ms R Campbell said that the Shadow Board would operate under the principles of the Code of Good Governance for Scotland's Colleges. She added that the Shadow Board would be making quite important decisions, and it would be useful for the Board to get used to working under those principles of good practice.</p> <p><i>[Ms S Drysdale joined the meeting by telephone.]</i></p> <p>Mr Campbell asked Ms Drysdale to advise on the issues regarding voting on the Shadow Board. Ms Drysdale said there was a need to ensure parity of esteem on the Board. Mr Smith said it was important to make a distinction between the Shadow Board and the new Board. He said, at the moment, the Shadow Board would have no governance over the activities of its constituent members, but was purely in place to oversee the merger. This, he said, would include approving the staffing structure, and whether real or perceived, there would be conflicts of interests in the staff members having a vote on those issues. Ms Drysdale said that mergers had always had staff on the Board having full voting rights, as it was about getting the best for the merged College, and there was no conflict in terms of them having an interest. She said that staff members could influence and provide a good information basis on which decisions can be made. Mr Smith said that if there was no recognition of the potential for the basic context of potential conflicts of interest, he may have to reconsider his position on the Programme Board and the Shadow Board. Ms Drysdale offered to find out how other mergers had managed the voting process in this respect, and in the meantime suggested that the Board consider the remainder of the draft Terms of Reference.</p> <p>Remaining with the issue of staff voting, Mr K Briggs said that in his experience of representing staff, it was useful to get staff input and opinion on matters such as staffing structures. Mr H Thomson agreed,</p>

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	<p>adding that in trying to set up a new structure, he did not think that staff should be excluded from that process. However, Mr G Smith said that he was not suggesting that staff should be excluded, but there was a distinction to be made between inputs and consultation, and taking a vote on a final position.</p> <p>Mr Campbell again suggested that a Register of Interests for the Programme and Shadow Board members may be useful.</p> <p>Mr G Gilfillan said that budgets, including those for staffing, were normally discussed at length and agreed at staff level first before coming to the Board for rubber stamping, and so staff would already have been involved during that groundwork. Mr Smith acknowledged staff involvement at all stages in their preparation, but said that budget reports would not only come for approval but for scrutiny in order to satisfy the Board as to the matters concerned.</p> <p>Mr Smith went on to refer to the independent non-Executive Members to be appointed, and to the proposal that they also have voting rights at this juncture. He said he was unsure whether they should or not, but at this stage it was decisions of the Council and NAFC Trustees that had to be gone through, and he was not sure that non-Executive members have any locus at this juncture in terms of a voting decision.</p> <p>Mr Sandison said it would be good to get some advice on what these scenarios should be. He said he appreciated the concerns being raised by Mr Smith, in that the decisions were going to be taken by the existing partner boards before handing it over to the new Board. He went on to say that many of the decisions before the Programme or Shadow Board will have been pre-approved by the partners, and questioned at what point does the Programme Board cease and the Shadow Board comes into play. Mr Sandison said that the Programme Board needed to have some advice on these matters to make sure that it was being done right.</p> <p>Ms Campbell said that the Shadow Board would not be taking decisions on behalf of the Council or NAFC, but the new Board has to be as complete as it should be, and follow good practice, for moving forward into the new Board.</p> <p>Mr Sandison, however, said it was important to note that the Shadow Board was not, and could not be, the same as the new Board. He explained that he had been appointed by the NAFC Trustees to fulfil a role on the Programme Board and the Shadow Board, in terms of their composition, role and remits, but that no one can assume that would continue into the new Board. Mr Sandison said he had a further concern regarding the fact that there were members appointed by the SIC and the NAFC for which substitutes could attend. However, he said that staff and student representatives were elected, and he felt it was a difficult position for staff and student representatives to have substitutes, and the same concerns were in place for the non-Executive Members.</p>

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	<p>Mr Anderson said the important thing was that staff were represented on the Shadow Board.</p> <p>Ms Drysdale said that whilst she didn't want to contradict Mr Anderson, staff members were there as members in their own right, because of their experience as a member of staff, and were not representing staff. Mr Anderson said that was not his understanding in terms of the process for election as a staff representative.</p> <p>Ms Drysdale added that she heard what was being said regarding conflicts of interests and understood the concerns being raised, but there were differences in the decisions required for detailed staffing structures for which staff may have to declare an interest and leave the room, as opposed to overall college staffing structures. Ms Drysdale said it was the norm for those on the Shadow Board who were appointed by due process to continue for an agreed time on the new Board before they choose to apply to be a member or to stand down.</p> <p>Mr Shannon observed that there had to be corporate responsibility for what the organisation is about, but to accept that there would be conflicts of interest during the process. He said that the Shadow Board would morph into the Board proper, and members would continue on the new Board for a period of time. He suggested it would be useful for the Board to receive advice on these matters.</p> <p>Mr Smith said that he was appointed to the Programme Board because of his position within the SIC, and once the new organisation was in place, and not part of the Council, the legitimacy of him continuing on the new Board, for any period of time, would need to be checked.</p> <p>Members agreed there was a need to obtain clarity on these matters, particularly about member status at the point of transition. Ms Campbell agreed to seek advice and clarity on fundamental matters regarding the transition from the Programme Board, to the Shadow Board, and on to the new Board. She agreed that this would include matters such as voting, quorum and substitution.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Project Manager to seek advice and obtain clarity on transition matters, including membership, voting, quorum and substitution, and to work up a refreshed Terms of Reference for the Shadow Board, to the next meeting.
<p>PB2019-10 Project Programme of Work</p>	<p>Ms Campbell introduced the report, explaining that the table summarised the component parts of the project, and highlighted that a number of critical things had to be started by the end of June. She added that more detail would be brought to the Board by August/September, by which time the governance matters should also be firmed up.</p>

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	<p>In response to a question from Mr Anderson, Ms Campbell advised that options regarding the status of the new College would be appraised and reported to a future meeting.</p> <p>Mr Sandison thanked Ms Campbell for the report, adding that it set out a sensible programme and timetable of work, recognising also the need for early engagement and fact finding regarding how the sector works. He went on to say that he was keen to see momentum brought back to the Project, which would need a lot of work, but it was crucial to identify what other staff resources were required. Ms Campbell said that the staff assigned to the Project were really willing to help and keen to get moving with the Project, but Mr Sandison said the strain on staff resources had to be recognised and identified.</p> <p>Mr Briggs said that this matter had been discussed with the Shetland College Board, and it was recognised that doing extra tasks on top of business as usual was not going to be successful without additional resources. Ms Hambleton said that additional items would be added to the programme of work as the Project progressed, such as finance, assets and investments, and it should be recognised that the NAFC had not approved the assumptions made in the Full Business Case.</p> <p>Mr Smith said he agreed with the points being made about resources but, nevertheless, the Boards had made a series of decisions and plans made and it was important to give reassurance that there would be no going back on those decisions.</p> <p>Mr Campbell said that whilst there were some areas of information that still required clarification, it was important to have a realistic timetable for the work required. Mr Gilfillan said that it was also important to recognise that seeking further clarification and information was not about agreeing or disagreeing, but informing everyone's understanding of the information in the Full Business Case.</p> <p>The Board otherwise agreed the Programme as submitted, noting that further detail would be added following further assessments, meetings and fact finding.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Project Manager to work up a further detailed schedule to the next meeting.
<p>PB2019-11A Communications Policy and Outline Plan</p>	<p>Ms Campbell introduced the report.</p> <p>In response to a query from Ms Hambleton regarding harmonisation of the SIC and NAFC Communication Policies, Ms Campbell explained that as the Shadow Board goes on to develop a range of policies for the new Board, it would be the intention to ensure that the new Policy reflected what the two organisations currently have, as well as potentially the UHI,</p>

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	<p>and identify any differences. Ms Hambleton agreed it was logical to identify any differences or omissions, especially around social media.</p> <p>Mr Anderson said that academic staff welcomed the offer to meet and were keen to be involved in the process.</p> <p>Mr Brown advised that a dedicated website was being produced, with a view to establishing a single merger Project website, which would include Board papers, minutes, etc. He said this would then allow the new College to establish it as its website following the vesting date.</p> <p>The Board agreed the Draft Communications Policy and Outline Plan.</p> <p>Decisions/Actions: Project Manager to implement the outline communications plan.</p>
<p>PB2019-11B Name of New College – Working Group</p>	<p>Mr Campbell said the suggestion was that a working group be set up to consider possible names.</p> <p>Ms Kirker said that student engagement events regarding the merger had taken place earlier this year, during which a list of possible names had been compiled. Ms Kirker said that students were seeking involvement in the process of naming the new College, and agreed to submit the list to the Board.</p> <p>Mr Smith agreed that those more directly involved in the colleges should be involved, and suggested that staff and student representatives be tasked with considering suggestions from their constituent groups and bring proposals back to a future meeting of the Board. The Board agreed.</p> <p>Decisions/Actions: Staff and Student representatives collate, consider and submit proposals for consideration by the Programme Board.</p>
<p>PB2019-12 Recruitment of Non-Executive Members</p>	<p><i>Ms I Hambleton declared a personal interest in this item as an applicant to become a Non-Executive Member. Ms Hambleton left the meeting and took no part in the discussion.</i></p> <p>Ms Campbell introduced the report, advising there were two parts to the decision being sought – to agree the process for recruitment, and consideration of two applicants whose appointment could be considered contentious due to their status.</p> <p>In terms of the process, Ms Campbell went on to say that there was a lot resting on sound representation, and the Shadow Board would have to display diversity, as well as bringing essential skills and experience to the Shadow Board. In terms of the Colleges Code of Good Practice, Ms Campbell recommended that a sub-committee be tasked with considering the appointments and undertaking to make final</p>

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	<p>recommendations to the Board. She added that given many of the members had day jobs, it was also recommended that meetings of the Board be moved to evenings. Mr Sandison agreed with evening meetings in order to maximise attendance but a consensus on that was needed, and Mr Briggs said that expectations had been given to staff that meetings would be either early morning or evening. With regard to the appointment panel, members agreed that this should be the Joint Chairs, with administration and HR support being provided by Ms Campbell, Fiona Tulloch, NAFC and Dilys Evans, SIC.</p> <p>Ms Campbell went on explain the contentious issues relating to two applicants that were also a student and a staff member. Whilst she said they would bring useful additional skills as both were strong applicants, their status as staff and students could conflict with the already elected representative roles, although there was no guidance on this matter within the Colleges Code of Good Practice.</p> <p>Although members expressed concerns in terms of parity with elected staff and student numbers, and recognising the difference between the roles of the Shadow Board and the new Board, some expressed a reluctance to exclude any applicants who would be considered eligible. Board members asked if UHI or the SFC could provide a definite answer with regard to non-executive member eligibility for staff and students.</p> <p>Ms Drysdale said that the meeting today had raised a number of governance issues, and offered to take this matter to the SFC’s Governance Team and relay advice back to the Project Manager. Ms Kirker advised that she would also discuss the matter with HISA.</p> <p>Mr Campbell said that early indication in terms of the 2 applicants was required in order that the recruitment process can commence. In this regard, he proposed that if the advice received was that the individuals were eligible, then they would be invited to join the process. Mr Campbell said if the advice was that they were not eligible then they would be written and advised of the matter. The Board agreed.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Project Manager to seek early advice from SFC as to the eligibility of two applicants and implement the decision accordingly. • SFC Governance Team will advise the Project Manager as to issues raised regarding the remaining governance issues <p><i>Ms Hambleton returned to the meeting.</i></p>
<p>PB2019-13 Recruitment Process – Principal Designate</p>	<p>Ms Campbell introduced the report and went through the proposed timetable for the recruitment process. In relation to funding the process, she added that there was budget to cover flights and accommodation for 5 candidates but the SFC budget would need to be supplemented by about £1500 from another source. Any inclusion of spouses in candidate visits would incur significant additional cost. Ms</p>

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	<p>Campbell suggested that, in those circumstances, both the NAFC and SIC may be asked to provide a contribution of up to £800 each.</p> <p>Some discussion took place as to whether the SFC Funding package could be re-negotiated in anticipation of any increase in recruitment costs. Ms Drysdale advised that the budget had been set and expressed doubt as to whether any re-negotiation, via the UHI, would be successful given the Scottish Government were heading towards a spending review, and in any event would take 6 to 8 weeks to conclude.</p> <p>Members of the Board agreed that it had to achieve a successful recruitment, and agreed to ask the UHI to seek agreement from the SFC as to whether containing costs within the overall financial package would be permitted, but with flexibility to vire between budget categories to cover any additional recruitment costs. It was suggested that if this was not agreed, the NAFC and SIC would have to agree to take on the financial burden of this as a risk.</p> <p>Responding to questions, Ms Campbell confirmed that the post was currently being advertised in a number of local and national publications as well as on MyJobScotland.</p> <p>Further discussion took place regarding the need to resolve the matter regarding the employing organisation, at this stage, of the Principal Designate. Members noted the employer would be the new Board when it was established, but the current employer status remained a matter which the NAFC and SIC would have to resolve, outwith the Programme Board.</p> <p>Ms Kirker advised the Board that she would be stepping down from her HISA role on 30 June, and that the Board be mindful of the need to maintain student representation until her successor is appointed.</p> <p>The Programme Board agreed to proceed as per the proposed schedule, and that the Project Manager facilitate discussions with the relevant parties to resolve the issues regarding funding and employer status, and report back to the next meeting.</p>
<p>PB2019-14 Schedule of Meetings</p>	<p>The Board agreed the schedule of Shadow Board meetings, Board development and recruitment events, with the exception of the evening reception for Non-Executive Members being moved from 6 June to 17 June. It was agreed that future Board meetings would take place at 4.30 p.m.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Clerk to book meeting rooms for Board meetings • Project Manager to make arrangements/bookings for Board development and recruitment processes.

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Conclusion	<p>In conclusion, Mr Sandison said he was pleased that the Board had made some progress now with the project and there was a positive outlook in terms of future progress. In particular, Mr Sandison said he was pleased with the appointment of Ms Campbell as Project Manager, and that the recruitment processes for non-executive members and the Principal Designate were progressing.</p> <p>Mr Campbell thanked everyone for attending and for their contributions.</p> <p>The meeting concluded at 4.30 p.m.</p>	
	<p>P Campbell Joint Chair</p>	<p>D Sandison Joint Chair</p>

END