

Shadow Board – College Merger
Room D24, Shetland College, Gremista, Lerwick
Wednesday 26 June 2019 at 4.30 p.m.

Present:

Board Members

John Goodlad NAFC [*Substitute Chair*] / Non-Executive Member
George Sutherland NAFC
Glenn Gilfillan NAFC staff rep
Beth Mouat NAFC staff rep
Andrew Anderson SIC SC staff rep
Rory Gillies SIC SC staff rep
Sorcha Kirker Student rep [*by VC*]
Lauren Doughton Non-Executive Member
Karen Hall Non-Executive Member
Graeme Howell Non-Executive Member
Steven Kerr Non-Executive Member
Jean Urquhart Non-Executive Member

Apologies

Davie Sandison NAFC
Peter Campbell SIC SC
George Smith SIC SC
Tegan Patterson Student rep
Irene Hambleton Non-Executive Member
Sharon Drysdale Scottish Funding Council

Observers

Neil Grant SIC Director of Development
Willie Shannon Joint Principal NAFC/SC

Also:

Simon Clarke Senior Lecturer - Archaeology

Board Support

Ruth Campbell UHI Project Manager
Diane Rawlinson UHI [*by VC*]
John Kemp Scottish Funding Council [*by phone*]
Anne Cogle SIC Team Leader – Administration [*Minutes*]

Minute Ref	Item
Chair	In the absence of Mr Sandison, and Mr Campbell, the Board agreed that Mr Goodlad be appoint interim Chair for the purpose of this meeting.

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<p data-bbox="170 277 472 311">Welcome and Apologies</p> <p data-bbox="170 383 435 450">Appointment of non-Executive Members</p>	<p data-bbox="529 277 1362 344">Mr Goodlad welcomed everyone to the meeting, and apologies were read out and noted.</p> <p data-bbox="529 383 1374 521">Before proceeding further with the business on the agenda, the Board agreed to appoint the non-executive Shadow Board members, who were recommended for appointment following interviews with the Joint Chairs, as follows:</p> <p data-bbox="628 562 839 808"> Lauren Doughton John Goodlad Karen Hall Irene Hambleton Graeme Howell Steven Kerr Jean Urquhart </p> <p data-bbox="529 846 1362 1093">Mr Goodlad thanked the board for its approval, adding that whilst it would be a difficult and time consuming task ahead, these would be covered with the breadth of skills and enthusiasm of the Board members. He added that there was a lot of baggage and some scepticism on all sides, but he sincerely hoped these would be sorted and personally he was prepared to give it everything he had to make the merger work.</p> <p data-bbox="529 1131 1374 1339">Mr Goodlad went on to explain that the merger was a merger of two different parties, and future meetings would alternate between the Shetland College in Lerwick and the Marine Centre in Scalloway. He added that the intention then was to have a representative from each to explain a little about their work and what they are doing, and he looked forward to the Board becoming more informed.</p>
<p data-bbox="170 1386 448 1420">Minute - 30 May 2019</p>	<p data-bbox="529 1386 1193 1420">The minute of meeting held on 30 May was confirmed.</p> <p data-bbox="529 1458 1321 1559">Mr G Gilfillan asked that, to clarify for the record, his reference to budgets, on page 5 of the minute, was in relation to operational budgets.</p>
<p data-bbox="170 1603 499 1738">Minute - 30 May 2019 - Matters Arising – A - Page 3, NAFC Marine Trust Assurances</p>	<p data-bbox="529 1603 1385 1771">The Project Manager advised that focus would be on pensions over the next month, and her intention was to come back with an holistic overview of how staff will transfer and also what the process of joining the Pension Fund would be, including timescale and clarification of costs.</p>
<p data-bbox="170 1816 464 1951">Minute - 30 May 2019 - Matters Arising – B - Page 6, Shadow Board Terms of Reference</p>	<p data-bbox="529 1816 1385 2020">The Project Manager advised that, in relation to the decision for a refreshed Terms of Reference, she had prepared a draft Memorandum and Articles of Association (MAA), which would operate as the Board's Terms of Reference going forward. She explained that both would be covering the same issues, such as quorum, membership, how decisions are made, etc., and so it seemed logical to prepare one document that</p>

Minute Ref	Item
	<p>could serve as the Terms of Reference for the Shadow Board and the MAA for the new Board, once fully established.</p> <p>In response to questions as to how the MAA would be agreed, Mr Goodlad explained that the MAA would also have to be agreed by both organisations. It was recognised that there had been a lengthy discussion at the last meeting regarding the draft Terms of Reference, and Mr Howell questioned what powers and voting rights members of the Shadow Board now had, as it was not a legal entity unlike the status of the new Board, when established. The Project Manager confirmed that it was considered important to have the operation of the Shadow Board aligned with the new Board, but in the meantime the draft Term of Reference would apply as a guide to the Shadow Board until the MAA was approved.</p> <p>Mr Goodlad said that, in terms of voting, he hoped that decisions by the Shadow Board would be made by consensus rather than a vote being a necessity, and reminded everyone that there was parity of esteem amongst its members.</p>
<p>Minute - 30 May 2019 - Matters Arising – C - Page 9 – Recruitment Process – Principal Designate</p>	<p>The Project Manager provided the board with an update on the recruitment process. She advised that there had been 20 applicants for the position, and the recruitment company had recommended a long list of nine for further consideration, although one candidate had subsequently withdrawn. She added that the Joint Chairs would be involved in the short listing, and candidates would be invited to Shetland for interview, the process for which had been agreed at the previous meeting. The Project Manager advised that it was rare for such an appointment to commence in less than 3 months, and so a start date in October was anticipated.</p>
<p>Introduction to College Governance – Resources and Guidance</p>	<p>The Project Manager distributed an induction pack to members of the Board, including the Code of Good Governance for Scotland’s Colleges, referred to frequently as the standard by which college governance is meant to work, and colleges were expected by UHI, the Scottish Funding Council and the Scottish Government to follow the Code.</p> <p>The Project Manager explained that the Code set out the principles of conduct and leadership, and standards of accountability and effectiveness. She said the Code provided clear guidelines about how Boards should make decisions, and there were links within the document to further guidance documents for members to become familiar with.</p> <p>The Project Manager went on to say that, in agreement with the Chairs, it was intended that governance and induction issues would be brought the front of each agenda. She added that the College Development Network provided training sessions, including online, for Board members, and that would be looked at further down the process.</p>

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	<p>Mr Goodlad reiterated that this would be a standing agenda item, and so it was important that members considered whether there were any pertinent issues that needed to be covered, and so feedback to the Project Manager on induction topics would be helpful.</p>
<p>Introduction to the Colleges</p>	<p>Mr Simon Clarke, Senior Lecturer Archaeology, provided the Board with a presentation on how Shetland College related to the UHI network through networked course delivery. Mr Clarke provided an overview of the courses available and methods of delivery, particularly for archaeological and heritage studies, emphasising the use of remote teaching techniques, as well as referencing fieldwork and research.</p> <p>Following the presentation, Mr Clarke answered various questions from members. In response to a question as to whether the network was adequate in terms of capacity and future expansion, Mr Clarke said there were some challenging issues around providing VC options and timetabling, but it was an area of improvement, and agreed that these methods could also be used for FE courses. Ms S Kirker agreed that, technically, VC provision of teaching did not always work, and it took a while for some students to learn in that environment, but it made courses much more accessible. In terms of delivery, Ms L Doughton asked whether being remotely displaced made students feel part of the college community. Ms Kirker said that progress was being made in that respect, and students were feeling part of the college community through various events organised within Colleges by the Highlands and Islands Student Association, and the UHI in particular now included Student representation on its committees.</p> <p>Mr Goodlad said the presentation was very interesting and thanked Mr Clarke for his time.</p> <p><i>(Mr Clarke left the meeting.)</i></p>
<p>PB2019-15 Student Accommodation</p>	<p>Mr Gillies, Project Lead for the accommodation project, introduced the report and the appended condensed version of the business case. Mr Gillies advised on the tasks to be carried out by the end of September, including more detailed work on the options appraisal. Mr Shannon provided an update on the work being done in relation to Port Arthur House, adding that it was possible that substantial remedial works may be required to bring the building up to a useable standard. Mr Gillies said the Project Team were making good progress, and highlighted the work planned in relation to short term solutions.</p> <p>The Board noted the updates, and supported the continuing work being done by the Project Team, in particular the planned work on identifying local private accommodation.</p> <p>Decisions/Actions: Project Manager to support the recruitment drive for local property owners.</p>

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<p>PB2019-16 Name of New College</p>	<p>The Board considered a report from the Working Group, and in particular gave consideration to the shortlist recommended by the Group.</p> <p>Some discussion took place regarding the shortlisted names, with the majority of members wishing to give further consideration to Shetland Education and Research Institute UHI (SERI) as the preferred option.</p> <p>The Board noted that a majority of Shetland College staff consulted had felt it was important to retain the Shetland College name, aligning it with the naming style of other colleges within the UHI network. However, others were also keen to have the status of the Marine Centre acknowledged, given its national and international status within the nautical industry.</p> <p><i>(Mr G Gilfillan left the meeting.)</i></p> <p>Members of the Board, however, agreed that it was also important not to disregard the work done by the Working Group, in particular the efforts and responses given by students. Whilst it was generally agreed that SERI appeared to be the preferred option, Members agreed that further work needed to be done on defining what the brief was for deciding on a name, agreeing the purpose and outcome to be achieved, and doing more work on consulting with stakeholders, including staff, students and the public on the preferred options.</p> <p>In conclusion the Board agreed that the Project Manager would meet with Mr Howell and Ms Doughton to develop a brief and criteria which could be tested against the shortlisted names.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Project Manager to meet with L Doughton and G Howell to develop vision and brief to inform and provide criteria against which a new name can be evaluated. • Project Manager to meet with L Doughton and G Howell to plan a brief consultation or focus group to get feedback on potential names.
<p>PB2019-17A Work Programme for Project Merger</p>	<p>The Project Manager introduced the report, indicating that the work programme was a dynamic summary of work to date which would be revised and included on every agenda. She added that with the Board meeting on a monthly basis, there were only 5 more meetings to take place before the proposed vesting date, and so the work programme set out an ambitious timescale for many of the key components. In this regard, the Project Manager made reference to the decisions which the Board would have to take, hopefully with consensus, including approval of the Ministerial Business Case, adding that any further tasks would only add to the challenge.</p>

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	<p>In response to questions, the Project Manager confirmed that consultation with staff would take place with Unions regarding future staffing structures, and indeed any matters with regard to staffing issues would respect the need of Unions to be a part of those discussions.</p> <p>With regard to ensuring adequate resourcing of the Project, the Project Manager advised that support was being provided by a range of people within the colleges and from UHI, but it was important to ensure the quality of information received and being used to develop the Project further. With regard to legal or other professional advice, she advised that there was some scope through the Scottish Funding Council to bring in additional advice, if required. She confirmed that there were staff within the Council that were providing dedicated time to the Project, in terms of the work required to transfer Shetland College to the new Board.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Project Manager to implement the Work Programme. • Project Manager to pursue request for resources as needed to ensure quality of advice to Shadow Board
<p>PB2019-17B Work Programme – Legal Status</p>	<p>The Project Manager provided an overview of the options for legal status, setting out the pros and cons of each, including issues regarding sustainability and legal capacity. It was acknowledged that EIS-FELA had differing views on some aspects, and Mr Anderson also provided an overview of the issues involved, in particular pointing out the preference of EIS-FELA was for the new college to be incorporated, similar to many other colleges in Scotland.</p> <p>Mr Kemp advised that the Scottish Funding Council’s preferred option would be for the new college to be un-incorporated, thus allowing more flexibility in its financial arrangements, and thereby creating a financial viability that incorporated colleges could not.</p> <p>The Project Manager advised that consultation would take place before submission of the final Ministerial Business Case which would include all aspects of the new college.</p> <p>Mr Goodlad said it would be most useful for all the options to be reported to the next meeting of the Board in written form, showing comparisons with a couple of other colleges, so that members could have further discussions and make the necessary decisions. He further suggested that if members had any further questions, or needed more information, that they contact the Project Manager directly.</p> <p><i>[Mr Kemp left the meeting.]</i></p> <p>Decisions/Actions:</p>

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	Project Manager to develop in depth paper on pros and cons of options available, and to provide detail on comparator colleges.
<p>PB2019-18 Memorandum and Articles of Association</p>	<p>After hearing the Project Manager introduce the report, Mr J Goodlad said it was important to recognise that the NAFC had made a clear and unequivocal decision to merge, subject to Trustees being satisfied on four points. He said these were all being addressed, but the points were: 1) that the Pension Funds costs are met in line with the decision made by the Council; 2) that the financial position had to be sustainable; 3) that the NAFC be involved in decisions; and 4) that the NAFC has to be satisfied that the Memorandum and Articles of Association (MAA) must include the aims and objectives of the SFTCT. In this regard, Mr Goodlad said it was also important that the new Board have representatives of the seafood sector, as the NAFC had, for over 30 years, provided a quality of service provision and training to the seafood sector, and it was imperative that that link remained.</p> <p>The Project Manager advised that these were decisions that could be made in terms of the contact of the MAA, and in particular, seafood representation could be built in to the requirements for non-executive members. Mr Goodlad agreed, adding that there was no other contention with the MAA, provided the aims and aspirations of the NAFC was retained within its terms.</p> <p>Mr Anderson pointed out that whilst there was scope to include seafood representation within the new Board in order to satisfy the NAFC requirements, but his concern was that this could be at the expense of other sectors which Shetland College were closely aligned with, such as hospitality, tourism and health and social care. Mr Anderson also queried whether the term of office of chair for 4 years could be re-considered.</p> <p>Mr Goodlad said it was important to note that this was a first draft of the MAA, and if members wanted to suggested other amendments, these should be forwarded to the Project Manager for including in the next draft. He went on to explain that the acceptance to merge was based upon the principles set out in the NAFC Trust Deed, and there were legal responsibilities, under Charity law that the NAFC had to meet as a part of the merger agreement in order to satisfy the charities regulator, including the distribution of its assets to a company with similar objectives.</p> <p>It was agreed that the NAFC decision would be circulated to members of the Board for clarity. It was further agreed that any suggestions or concerns regarding membership or other aspects within the draft, should be submitted to the Project Manager by 19 July in order that these could be addressed in a second draft to the next meeting on 31 July.</p>

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	<p>With regard to the Directors' terms of office, Mr Goodlad said it was important to have new people coming on the Board regularly, and suggested that perhaps a three year term, with a an option to extend for a further maximum of two years, could be permitted, in order to preserve continuity, if that was needed.</p> <p>The Project Manager agreed to take on board the comments made, to meet with the NAFC representatives, and to develop a second draft MAA for the next meeting.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Board members to send comments, suggestions and concerns on objects, powers and articles by 19th July 2019 to be addressed in next draft version. • Project Manager to Circulate NAFC Trust Deeds and extract of its decision regarding the Trust's objectives, and to re-draft based on comments received. • Note concerns re length of directorships, suggested 3+2 (max 5 years).
<p>PB2019-19 Work Programme – Sub-Committees</p>	<p>The Project Manager presented the report, which set out a recommendation to form a sub-committee to focus on seeking and securing future investment for the new college. , including Islands Deal, Creative Scotland, Sports Scotland and Tourism funding.</p> <p>It was agreed that there were opportunities which may arise, but a strategic approach to researching those through various funds was required.</p> <p>Ms B Mouat and Mr S Kerr advised they had an interest in this area, and agreed to meet with the Project Manager to plan and progress this area of work. It was noted that support from any other interested persons would be welcomed and</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Project Manager to meet with B Mouat and S Kerr to progress
<p>PB2019-A Schedule of Meetings</p>	<p>The Board noted that meetings would now be held on the last Wednesday of every month, and that a revised schedule and diary invites for future meetings would be issued after the meeting.</p> <p>Decisions/Actions:</p> <ul style="list-style-type: none"> • Members to note change of meeting day to last Wednesday of every month • Clerk to send revised schedule • Project Manager to ensure room bookings are changed

Minute Ref	Item
Conclusion	Mr Goodlad thanked everyone for their attendance and contributions today, adding that he felt good progress was being made. The meeting concluded at 19.20 p.m.

END