

PB2019-19

Shadow Board – Shetland Merger Project

Committee	Shadow Board
Subject	Proposal to create a Shadow Board sub-committee.
Action requested	<input type="checkbox"/> For information only <input type="checkbox"/> For discussion <input checked="" type="checkbox"/> For recommendation
Brief summary of the paper	Recommendation to form a sub-committee to focus on seeking and securing future investment for the new college.
Resource implications [if yes, please provide detail]	Yes The new college sustainability will improve if opportunities for additional income is secured. There will be a lead time from seeking to securing income. Therefore starting now is prudent.
Risk implications [if yes, please provide detail]	No
Date paper prepared	21-Jun-19
Date of committee meeting	26-Jun-19
Author	Staff representatives with student input
Equality and diversity	No
Status	Non-confidential
Freedom of Information Can this paper be included in 'open' business?*	Yes
Status following the meeting	

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21. Background	
1.1	<ul style="list-style-type: none"> Shadow Board members are rightly concerned about the sustainability of the new college. Work is underway to develop financial projections which all interested parties feel reflects a realistic scenario. “Core funding” from fees and credits, with research funding, must always be the mainstay of sustainability. This is vulnerable to fluctuation because of student numbers, stages in research projects, and ultimately changes to national approaches to funding FE and HE. In a small college, the range of functions required are the same as for larger institutions (e.g. marketing, business development) but the affordability of these via core income is far more challenging. The ability of the college to be sustainable and to support future development and growth, therefore requires additional investment.
1.2	<ul style="list-style-type: none"> There are opportunities out there: the Island Deal; national interest in STEM; arts; heritage etc and many niches for Shetland to exploit. We cannot be passive about ensuring the new college is well placed to benefit from any new initiative. There is also strong competition. Readiness backed by a group of active ambassadors and advocates from the Shadow Board / Board will help ensure success. The major threat to progress in securing additional investment: <ul style="list-style-type: none"> Cynicism, which will lead to a “do nothing” scenario until it is too late Failure to appreciate the length of lead time required to seek additional funding, which requires that as soon as charitable company status is confirmed, there are already irons in the fire to act on. Lack of competitiveness in a challenging funding climate. There needs to be a strong and coherent presentation of the case for investment which is about presenting the potential for success rather than the aversion of failure.
22. Report authors	
2.1	Project Manager Merger Project
23. Partners / stakeholders	
3.1	Other Shetland Islands bodies: collaboration with the college and integration into local plans and proposals can become a win-win scenario.
3.2	Students: the potential to create more and better opportunities and facilities
3.3	Funders/sponsors – national funders may be keen to redress previous lack of funding for Shetland
3.4	Staff – staff with a business development remit should be encouraged to support the Shadow Board with due recognition of current workload challenges in their current organisations. Many staff are already entrepreneurial and seeking sponsorship and grants etc. This should not be dampened, rather, supported, given recognition and given the backing of the Shadow Board.

24. Shadow Board focus	
4.1 Financial	<ul style="list-style-type: none"> Seek additional funding for the new college to secure sustainability Accept that, going forward, whilst core funding is the foundation of college finance, short-term grant-led finance will become one part of the new reality.
4.2 Strategic	<ul style="list-style-type: none"> The college must link to current Shetland-wide strategic investment considerations in support of the Local Plan etc
4.3 HR	None

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4.4 Legal / regulatory	Adoption of a Mem & Arts is a critical enabler. However, work in advance of this does enable the college to prepare to act, and to make strategic links.
25. Other	

3. Shadow Board Sub Committee

It is proposed a sub-committee is formed with the following brief:

- Bring forward any potential funding options which may be suitable for the new college from philanthropic sources (trusts and foundations), government / NDPB funding schemes, private or commercial sponsorship.
- Explore the “fit” with areas of current and future college interests.
- Agree what opportunities are realistic and decide on the best approach – work with staff and the project manager to prepare for an approach, which may require development of proposals and a thorough understanding of any delivery implications.
- Act as ambassadors and advocates – be prepared to front exploratory meetings with potential funders to lay a foundation for future proposals.

4. Membership and terms of reference

- At least two members, ideally with experience of the funding landscape
- Draft ToR to be devised by the group and confirmed with the Shadow Board co-chairs.
- Meeting monthly or as required.
- Report to the Shadow Board any issues which require full Board approval (e.g. well before entering into any grant or sponsorship agreement with any funder for any work); recognising that a closing date may arise before vesting/the arrival of a new Principal/CEO for an opportunity with grant award and deliverables post-vesting date.

5. Recommendation

- Agree to establish a sub-group with the focus of taking a pro-active approach to future investment
- Make offers to join the group to the Project Manager
- Work with the new Principal/CEO Designate, when in post, to confirm investment priorities; whilst being prepared, in advance of that date, to act on opportunities that may expire before that date.