

**Shadow Board – College Merger**  
**Classroom 2, NAFC Marine Centre, Scalloway, Lerwick**  
**Wednesday 31 July 2019 at 4.30 p.m.**

**Present:**

**Board Members**

Peter Campbell	SIC SC <i>[Joint Chair]</i>
Davie Sandison	NAFC <i>[Joint Chair]</i>
George Smith	SIC SC
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
Lauren Doughton	Non-Executive Member
John Goodlad	Non-Executive Member
Karen Hall	Non-Executive Member
Irene Hambleton	Non-Executive Member
Graeme Howell	Non-Executive Member

**Apologies**

Sharon Drysdale	Scottish Funding Council
Steven Kerr	Non-Executive Member
Sorcha Kirker	Student rep
Tegan Patterson	Student rep
Diane Rawlinson	UHI Representative
Willie Shannon	Principal NAFC
Jean Urquhart	Non-Executive Member

**Observers**

Neil Grant	SIC Director of Development
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**Also:**

Howie Thomson	NAFC Engineering Lecturer
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**Board Support**

Ruth Campbell	UHI Project Manager
Anne Cogle	SIC Team Leader – Administration <i>[Minutes]</i>

<b>Minute Ref</b>	<b>Item</b>
<b>Chair</b>	Mr P Campbell chaired the meeting.
<b>Welcome and Apologies</b>	Mr Campbell welcomed everyone to the meeting, and apologies were read out and noted.

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<p><b>Introduction to the Colleges</b></p>	<p>Mr H Thomson, NAFC Engineering Lecturer, provided the Board with a presentation and overview of the Engineering Section which, along with the Nautical Section, formed the NAFC Shetland School of Nautical Studies. Mr Thomson outlined the organisational and staffing structures, and provided an explanation of the courses available. Mr Thomson also described the staffing resources and facilities available, and concluded with a SWOT analysis of the School of Nautical Studies, in relation to its current status and future development.</p> <p>Following the presentation, Mr Thomson answered various questions from members. In response to a question regarding the foundation apprenticeship programme in Engineering, Mr Thomson said this had started with a two-year programme with 11 students. He said this had been successful, but numbers had since fallen to 5, then 3, and so the structure of programme was amended to one year. Regarding a question concerning Marine Electronics, Mr Thomson said whilst it would be welcomed, this was quite a specialised area, and the set up would require some investment. Regarding marketing and resources, Mr Thomson agreed that forming partnerships with engineering employers would also be welcomed, and whilst it was not necessarily an issue with local employers who were familiar with the work of the NAFC, good opportunities would come with marketing for larger employers, such as those operating at Sullom Voe and the Gas Plant.</p> <p>Mr Campbell said the presentation was very interesting and thanked Mr Thomson for his time.</p> <p><i>(Mr Thomson left the meeting.)</i></p>
<p><b>Appointment of Principal Designate</b></p>	<p>Before proceeding with the rest of the agenda, Mr Campbell advised that Professor Jayne Lewis had been appointed as the new Principal Designate, and was due to take up her position on 1 October 2019.</p>
<p><b>Introduction to College Governance – the role of the Audit Committee</b></p>	<p>The Project Manager advised that it was the intention that the amount of issues being considered by the Board would reduce, and more focus would be evident, as the project progressed nearer to vesting date.</p> <p>The Project Manager gave a presentation to the Board on the timetable so far, and work required to complete the Ministerial Merger Business Case (MMBC). She went on to say that a required part of the new governance structure would be the establishment of an Audit Committee, tasked with overseeing issues of governance and accountability for the new Board, including risk management and internal controls. The Project Manager outlined the role and scope of an Audit Committee, including the need to agree structure, membership, secretariat, assurance and lines of enquiry, explaining that these were set out in the Code of Good Governance for Scotland’s Colleges.</p> <p>The Board noted the presentation.</p>

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<b>Minute – 26 June 2019</b>	The minute of meeting held on 26 June 2019 was confirmed.
<b>Minute – 26 June 2019 - Matters Arising – PB19-21</b> College Name	<p>Ms L Doughton introduced the report, and explained the process that herself and Mr Howell had gone through in considering the long and short list of names provided, as well as consideration of the vision and mission which the new name would convey to its staff, students and other stakeholders. Ms Doughton added that the name of the new college should have credibility within the existing UHI network, whilst having a focus on the activities and curriculum development of the new college. In this regard, the recommendation of “Shetland Institute for Research, Education and Training (SIRET)” was made, which also provided for sub-brands to be established, such as “Shetland Institute – Centre for Marine Studies”, or “Shetland Institute – School of Health and Care”.</p> <p>During discussion, it was noted that whilst not all stakeholders were content to lose the connection with “Shetland College” or “Marine Centre”, Board members recognised how the sub-brands could be adapted to focus on particular schools, and that the word “institute” came with an historical association and some resonance with the former Anderson Institute. Further discussion took place on the suggestion that “Education” should be placed before “Research” ensuring focus on this aspect as the primary role of both colleges.</p> <p>Members broadly agreed that the work done on establishing a recommended name had been carried out diligently and rigorously, and that whilst some may not be initially pleased with the outcome, members were of the view that Shetland Institute was a good compromise, and Institute was often associated with high achieving academic and research bodies. Members agreed with the view that the name allowed for flexibility and inclusion of different schools or centres as the new College develops.</p> <p>Mr Campbell asked that the Board agree with the adapted recommendation of “Shetland Institute for Education, Research and Training”, and that this be proposed to the NAFC Board and the SIC for ratification. The Board agreed.</p>
<b>Minute – 26 June 2019 - Matters Arising – PB19-22</b> Recommendation – legal status	<p>Mr Campbell advised that it was recommended that the proposed joint body would be an unincorporated body, and to an extent that had been agreed by the bodies in December as part of the business case.</p> <p>Mr Anderson disagreed that this had been agreed, and in fact had been discounted from the options appraisal. However, other members of the Board did not agree, and noted that a revised set of information had been provided at the last meeting of the Board, and the recommendation remained that the body should be unincorporated.</p> <p>Mr Anderson said that he would feel more comfortable if there had been consultation with staff on this matter, and suggested that Board</p>

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	<p>was not in a position to take the decision until that process had been carried out.</p> <p>However, Mr Campbell said that the Board had advice from the Scottish Funding Council and legal advice from Andersen Strathern, and that advice was that unincorporated was the recommended option. He added that to look further for more information or consultation would simply be delaying the only decision that the Board could make.</p> <p>During discussion, the Board noted that other colleges that were incorporated were facing significant problems, and in some instances were trying the change their status. It was suggested that by agreeing to be unincorporated, this would not tie the hands of the new body.</p> <p>The Board was in agreement that it was making a recommendation to the existing employing bodies on the basis of information provided. There was general agreement that the flexibility of unincorporated status would allow the new college to retain services and invest, and that TUPE processes would provide protection for staff, along with national bargaining. The Board also noted that the NAFC had to be able to transfer its assets to a body with similar aims and objectives that could receive them, and there would be some concern if the new college was an incorporated college, then it would not be allowed to retain assets or reinvest.</p> <p>In conclusion, the Board agreed, based on the information set out in the report, recommend that:</p> <ul style="list-style-type: none"> <li>the status of the new college should be unincorporated association model;</li> <li>the Shadow Board <b>commits to its</b> intention to follow the requirement of the Scottish Funding Council to follow national collective bargaining; and</li> <li>the Shadow Board <b>must</b> agree to ensure staff and union consultation takes place on the final Ministerial Merger Business Case before submission.</li> </ul>
<p><b>Minute – 26 June 2019 - Matters Arising – PB19-23</b> Memorandum and Articles of Association</p>	<p>The Project Manager presented a report which set out a recommended version of the Memorandum and Articles of Association for the new body, which was revised following further consideration to ensure it reflect the requirements for transfer of assets from the NAFC, in line with charity dissolution requirements. The Project Manager went on to highlight the various other considerations, including the purpose and timescales, legal form, admissions to the pensions body, procurement of services and charitable status. She also highlighted the need to consider the transition of members of the Shadow Board to the new Board.</p>

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	<p>Regarding timescales and in response to questions, the Project Manager confirmed that the pension body would require to see the final agreed Memorandum and Articles of Association and that would only be agreed once the NAFC and SIC agree to the transfer of assets to complete the merger.</p> <p>In response to questions regarding the status of members, the Project Manager also confirmed that there was ministerial guidance available with regard to terms of office, and the recommendations in the document had been based on those adopted by Argyll and West Highland Colleges. She also confirmed that student and staff members would be elected by students and staff, and others would have to meet the eligibility criteria. With regard to the appointment of Chair, the Project Manager said that the document was proposing a maximum of one four-year term, and that after a gap of one year, they could be re-appointed.</p> <p>Referring to the objects of the new Board, and to the text “to relieve poverty and unemployment”, the Project Manager confirmed that these were aims and objectives that OSCR would require of the new organisation to reflect its charitable status. She added that this area in particular would align with the requirements for any bursary mechanism that may be developed.</p> <p>The Board noted that it was likely that the new Board would be invited to become a member of the Shetland Partnership, and it was suggested that reference to the Shetland Partnership standards could be included. In this regard, reference was made to Object 10 and that this could include “other public bodies and the Shetland Partnership”.</p> <p>Further discussion took place regarding the above comments and to the detailed wording, and the Board agreed to recommend the following changes:</p> <ol style="list-style-type: none"> <li data-bbox="584 1491 1396 1733">1. To advance education, and primarily further and higher education of people within the Shetland Islands (“the operating area” <b>and elsewhere</b>, and the provision of training in skills of all kinds (particularly such skills as will assist the participants in obtaining paid employment), including all aspects of the Shetland Fishing Industry, marine and coastal industries and all other industries.</li> <li data-bbox="584 1778 1396 1951">5. To prevent and relieve poverty, and in particular, among residents of the Operating Area and other areas of Scotland, the UK and internationally, by facilitating accessible learning opportunities and imparting skills, and life skills, which enable learners to secure employment, <b>and contribute to their community</b>.</li> </ol>

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	<p>7. To advance <b>wellbeing, inclusion</b>, citizenship and community development (including through the promotion of trade and commerce)</p> <p>90. <i>(third bullet point)</i> Independent Directors should bring the skills, experience and local knowledge required to be of benefit to the college, drawn from <b>a diverse range of</b> local community interest and industry.</p> <p>In addition, the Board noted that all references to “College” should be changed to “Institute”, in line with the recommendation for the name of the new body.</p> <p>Some discussion took place concerning the next stage in approving the document, with the Board noting that it would be shared with the UHI Head of Governance, and any issues would be reported back to the Board. With regard to legal advice, the Board noted that the Council had engaged Andersen Strathern, and it was suggested that joint commission between the NAFC and SIC could be considered, given that it was unlikely that either body would have opposing issues on the terms of the document. The Board noted that each body would have to be satisfied with its own legal and governance advice before final approval. The Director of Development agreed to follow up on the suggestion for joint commissioning of legal advice.</p>
<p><b>PB2019-24</b> Work Programme – TUPE Transfer and staff restructuring timetable</p>	<p>The Project Manager presented an outline of the process for managing the TUPE transfer of staff, including consultation required by both bodies in terms of the transfer process and post-vesting plans.</p> <p>During discussion, the Board agreed that communication with staff needed to be clear, and that effective engagement and involvement would be important in making sure staff felt part of the process. With regard to the TUPE consultation process, the Board noted that this was a legal requirement for the two bodies to ensure.</p> <p><i>[Mr G Smith left the meeting.]</i></p> <p>The Project Manager went on to explain the restructuring process, and how this would be separate from the formal TUPE consultation.</p> <p>The Board noted the update.</p> <p><i>[Mr D Sandison left the meeting.]</i></p>
<p><b>PB2019-25</b> Work Programme – Progress report on review of college sections, budget and growth plans</p>	<p>The Board noted the update presented by the Project Manager.</p>

Minute Ref	Item
<b>PB2019-26</b> Work Programme – workstreams development process	The Board noted the update presented by the Project Manager.
<b>PB2019-verbal</b> Work Programme – stakeholder engagement	The Board noted the updated presented by the Project Manager.
<b>Conclusion</b>	<p>Mr Campbell thanked everyone for their attendance.</p> <p>The Board noted the next meeting was scheduled for Wednesday 28 August at 4.30 p.m.</p> <p>The meeting concluded at 19.20 p.m.</p>

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