

Programme Board – Shetland Merger Project

Committee	Programme Board
Subject	Project Manager Update: Programme of Work
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation
Brief summary of the paper	Outline of project milestones and update on progress with particular reference to the review of sections, budget and growth plans
Resource implications [if yes, please provide detail]	No Click here to enter text.
Risk implications [if yes, please provide detail]	Yes Main project deliverable (Vesting, 6 Jan 2020) is in six months
Date paper prepared	21-Jun-19
Date of committee meeting	26-Jun-19
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Equality and diversity	No
Status	Non-confidential
Freedom of Information Can this paper be included in	Yes

1. New information is provided on the approach to developing specific sections of the Ministerial Merger Business Case concerned with reviewing current sections of the college and NAFC and gathering input on sustainability and growth.
2. The schedule provided previously (26-6-19) is updated to reflect progress.

C= completed | G= on track | A= some delays but solutions in hand | R= major disruption

>= work underway, too soon to ascribe status above.

3. Involving staff in reviewing and developing section plans for sustainability and growth

- 3.1 During early consultation stakeholders expressed concern to see convincing plans which outlined the means by which a realistic budget for the new college would be achieved. This was clearly considered by most stakeholders to be an issue requiring solutions before final agreement to a Ministerial Merger Business Case.
- 3.2 During June-July consultation and discussion has taken place with staff at all levels in their sections, this work will be completed by the end of August. Staff were provided the opportunity to discuss the merger process, which many felt had been top-down and had not engaged their ideas. The process undertaken has been open and encouraged staff to contribute a picture of their current work, alongside ideas where there is growth potential. They have been invited to suggest where growth needs to be underpinned by investment. This does not create a “wish list”; however, it does allow assessment of what growth is possible within current assets and resources, and what growth could only be achieved with e.g. new equipment.
- 3.3 Underpinning this work has been a further review of the current financial position of both the college and NAFC. NAFC staff have contributed the considerable amount of work already developed during the development of the SIC Full Business Case; this has formed the basis of work to analyse and present the college position in the same way, adding data on student numbers and the credits, fees and HE allocations for each section. This also shows which courses are popular.
- 3.4 As a result of this work, it will be possible to consult with college staff during August/early September, on their section’s financial position and student numbers on different courses and in different modes of study, to inform their final contribution of suggestions for growth. This work has largely already been done within NAFC, although consultations with NAFC sections will be completed in the same way as the college – where available information is considered up to date, this can go forward, but there is also scope for sections to add information and ideas if they wish.
- 3.5 Support staff are also providing details of what their roles encompass in a similar format.
- 3.6 It would not be appropriate to share details of sections’ positions until section staff have confirmed it reflects their position and their future vision. This will be presented to support and strengthen the financial case for the new college by the end of September.
- 3.7 The Full Business Case and subsequent workstreams provided high level information which can be used to inform this approach to planning for sustainability and growth. SIC continues to provide any data it has available on the local economy and public partner needs.
- 3.8 Further work to develop the budget will be shared with NAFC finance/business team and college SMT once the section-by-section work is collated.

4. What the Shadow Board can expect to see

- 4.1 The costs and current delivery of both colleges, section by section will be presented by the end of September. The growth potential will be mapped out alongside this. Categories of growth could include:
 - Increased student numbers from “access” to post-graduate levels
 - Increased school engagement and partnership
 - Increased commercial course delivery
 - Increased apprenticeships – Foundation, Modern and Graduate apprenticeships
 - New courses, including short courses, evening classes or “summer-school” or other seasonal activity
 - Development of readiness to tender for contracts, and assessment of likely tender opportunities on the horizon
 - Innovation or strategic development, which links sections to changing industry needs or new academic or research links

- Proposals for longer term development which may include seeking grants or other investment
- 4.2 Sections will be described in ways which enable a strategic overview of areas where support and challenge may be needed, or where growth is needed which has specific partnership potential. This enables targeted business planning activity post vesting.
- 4.3 Data on local industry needs will be added to this picture, along with school leaver surveys and other information that is already available. Additional information from industry/ employers or other partners will be added to each section’s plan.

5. The sustainability and growth templates:

Introduction	Description of the section, its activities, strengths, achievements and value to the new college
Current performance	The costs of the section (staffing numbers and roles) The output, outcomes or other activities (e.g. student numbers, income, projects etc)
Known future activity	Forecast activity and funding
Local/market context	Analysis of data on current demand, trends, evidence of potential customers/learners
Forecast of trends affecting short term sustainability/growth	Based on sections’ knowledge of industry and demand for training, research or other college services
Identification of short-medium term targets	This reflects what many sections already do in their operational plans but in this exercise, encourages projections related to the cost of delivery
Growth or innovation proposals	A brief case for innovation or new activity, with an outline of development and delivery costs against expected income
Partnerships and collaboration	Sections are being encouraged to consider where there is potential for new activity developed on a cross-section basis (e.g. computing and engineering – 3D printing for engineering in confined spaces such as boats). This section will also detail what support functions are essential to delivery

6. Support services will be similarly mapped out, to ensure that the necessary work to make the curriculum and research delivery possible is costed and planned appropriately. Relationships and essential services to sections will be mapped out.
7. When section plans are collated, it will then also be possible to look at the overall budget for the new college, with a clearer understanding of income and costs to inform strategic planning to support areas of the college in need of support, development or change.

Work update July 2019				
Area of work	Components	Outline timing	Critical issues	Status
Governance	Vision, aims and objectives Mem & Arts	Draft submitted June Shadow Board Seek final agreement July Shadow Board	Determination of preferred status July (<i>revised</i>) Shadow Board	G
	Company formation	Submit to OSCR and Companies House end of August (<i>revised</i>)	Selection of name June meeting Determine status of Shadow Board vs Board of formed company	G
	Charitable status	Submit to OSCR and Companies House end of August (<i>revised</i>)	OSCR may take several weeks to confirm.	>
	Financial memoranda and regulations	Position and recommendations submitted to August meeting		>
	Pensions and admission to pension trust	Position and process submitted to August (<i>revised</i>) meeting	Lead time could be lengthy BUT both staff groups in pensions with same provider already.	>
	Committees and standing orders	Confirm membership of standing committees by August (start of new company)		>
	Board Secretariat role	Paper and recommendation on arrangements August (<i>revised</i>) Shadow Board		>
	Draft policy framework in place as required by code of governance	Policies brought forward for approval ongoing to October	Employee policies must be in place by the time Board becomes an employer	>
Recruitment Principal/CEO Designate	Recruitment and offer of appointment	Complete by w/b 8 th July subject to checks	Preferred candidate selected; candidate accepted	C
	Designated employer for start date and ready to contract.	SIC is the interim employer for the new Principal/CEO Designate.	Start date to be confirmed.	C
Engagement programme	Ensure appropriate input from all staff on forward plan and readiness to merge	Monthly input to Board by staff. Resolve issues with post-vesting implications as soon as possible.	Failure to enable collaboration and solutions pre-vesting will extend disruption and potentially delay college sustainability.	G
Ministerial Merger Business Case	Financial projections	Revised draft September (<i>revised</i>) Shadow Board	Holiday period has disrupted staff feedback/input.	G
	Data to support growth / income generation plans	September (<i>revised</i>) Shadow Board	Depends on outcome of discussions with staff on projections re course uptake and growth plans for different sections of the colleges.	G

	Staff structure	September /October Shadow Board	Requires input of new Principal/CEO and to follow consultation timeline for TUPE transfer and restructuring process.	G
	Draft MMBC	September Shadow Board	Most sections to be drafted by end September.	>
	Local consultation	October; findings to October Shadow Board		>
	Submission to SG	November		>
Post vesting preparations	Assets and leases	SIC team preparing for transfer	Timeline to be identified	>
	Workforce transfer preparations	Collaboration with SIC HR on plans	Requires TUPE preparation from SIC and NAFC as per paper PB2019-24	>
	Critical functions prepared: finance, payroll, HR,	NAFC and college staff preparing workplans	Need for additional resources to be reviewed on ongoing basis.	>
	Partners, contractors, stakeholders, funders etc prepared for change	Communications plan requires all staff to provide details of contacts and stakeholders.	Expected to be challenging, will require staff co-operation.	
	Assignment and designation as fundable body			