

**Programme Board – College Merger**  
**Room D24, Shetland College, Gremista, Lerwick**  
**Wednesday 28<sup>th</sup> August 2019, 4.30pm**

**Present:**

**Board Members**

Davie Sandison	NAFC <i>[Joint Chair]</i>
Peter Campbell	SIC SC <i>[Joint Chair]</i>
George Smith	SIC SC
Glenn Gilfillan	NAFC staff rep
Beth Mouat	NAFC staff rep
Andrew Anderson	SIC SC staff rep
Rory Gillies	SIC SC staff rep
John Goodlad	Non-Executive Member
Karen Hall	Non-Executive Member
Irene Hambleton	Non-Executive Member
Graeme Howell	Non-Executive Member
Steven Kerr	Non-Executive Member
Jean Urquhart	Non-Executive Member
Diane Rawlinson	UHI <i>[by VC]</i>
Sharon Drysdale	Scottish Funding Council <i>[by video link]</i>
Andrew Bowie	HISA <i>[by video link]</i>

**Apologies**

Lauren Doughton	Non-Executive Member
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**Observers**

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

**Board Support**

Ruth Campbell	UHI Project Manager
Karen Scollay	SIC – Housing Assistant <i>[Minutes]</i>

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<b>Chair</b>	Mr D Sandison, Joint Chair, chaired the meeting.
<b>Welcome and Apologies</b>	Mr Sandison opened the meeting and welcomed everyone.  Apologies were read out and noted from Ms L Doughton and noted that Mr P Campbell, Mr G Smith and Mr N Grant would possibly join the meeting later. Mr Sandison introduced Miss K Scollay who was in attendance as minute taker.
<b>Minute – 31 July 2019</b>	The minute of the meeting held on 31 <sup>st</sup> July 2019 <i>[distributed to the Shadow Board on 28<sup>th</sup> August 2019, prior to the meeting]</i> was discussed.

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	<p data-bbox="515 311 1342 344"><i>[Mr Campbell, Mr Smith and Mr Grant joined the meeting at 4.36pm]</i></p> <p data-bbox="515 383 1401 557">Mr J Goodlad expressed his disapproval of the late receipt of the previous minutes. He said that it is unacceptable to receive the minute one hour before the meeting. Mr Goodlad would expect the minute to be out at least one week before the meeting and added that no one has had the opportunity to read the minute prior to the meeting.</p> <p data-bbox="515 595 1394 842">Mr Smith accepted the point needed made and acknowledged in terms of work required that agenda management is in place for a purpose so business is carried out effectively and a regime is in place. He added reports that are produced require to be produced on time to allow for representation at the meeting. Mr Smith added that it was under unique circumstances and he agreed with Mr Goodlad in principle, but not the way it was portrayed.</p> <p data-bbox="515 880 1401 949">The collective view of the Board was that it is unacceptable and the minute should be distributed at least one week prior to the next meeting.</p> <p data-bbox="515 987 1401 1126">Mr A Anderson requested that any reports are also distributed one week ahead of the meeting. Mr Sandison and Ms R Campbell to discuss and Mr Sandison added that due to the tight time line some allowances may be required.</p>
<p data-bbox="172 1171 459 1240"><b>Minute – 31 July 2019 - Matters Arising</b></p>	<p data-bbox="515 1171 1374 1240">Moving on to notes of accuracy and matters arising from Minute of 21<sup>st</sup> July 2019.</p> <p data-bbox="515 1279 1394 1487">Mr Anderson referred to page 4 of minute of 26<sup>th</sup> June [PB19-22], second last point where it states ‘the Shadow Board <b>commits to its</b> intention to follow the requirement of the Scottish Funding Council to follow national collective bargaining’. Mr Anderson said he thought that there was clearer commitment than just its intention and requested removal of the word ‘intention’.</p> <p data-bbox="515 1525 1394 1809">This was discussed with Mr G Howell commenting that the Shadow Board can commit, however the Board is not the body to move it forward, therefore can’t commit as a body. Mr Smith agreed this was correct and the Shadow Board can state an intention but cannot make a decision and when the new Board comes into place they will make any decision. Mr Sandison acknowledged this and added that as a collective grouping we are preparing for any eventuality after vesting and there had to be a process in place for any future Board reference.</p> <p data-bbox="515 1848 1374 1951">Ms I Hambleton added that the NAFC doesn’t follow collective bargaining. Mr Sandison confirmed that this would be a different piece of work to look at.</p> <p data-bbox="515 1989 1102 2022">The Board agreed to remove the word ‘intention’</p>

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	<p>Ms J Urquhart noted that the minute reads as though the board has made a decision regarding Incorporated or Non-incorporated and would this be a decision be made by new Board.</p> <p>Mr Campbell raised salaries as the Shetland college and NAFC employees are graded differently. Ms Campbell confirmed that NAFC will transfer on Tupe and salaries protected for a period of time for as long as it lasts and until different terms and conditions are agreed.</p> <p>Mr Sandison asked for agreement of the Minutes of 31<sup>st</sup> July 2019. Ms Hambleton felt the Board were unable to propose and second the minute as everyone hadn't had the time to read them. She proposed ratification of the minute is carried to the next meeting.</p> <p>Mr Sandison agreed he was happy to carry the minute to the next meeting.</p>
<p><b>2. Report on Board feedback re training needs</b></p>	<p>Ms R Campbell thanked everyone who has emailed and confirmed what their training needs are. In terms of feedback Ms Campbell can arrange one session to fit in everyone's training needs, for example one afternoon or a few sessions in the evening that are shorter. Ms Campbell's suggested timing being December 2019 or January 2020 as business of the Board will take up quite a bit of time. The Board members had mixed preference regarding timing of training. Ms Campbell agreed to circulate dates and options for consideration.</p> <p><i>[Mr Sandison introduced Ms S Drysdale and Mr A Bowie on video link and apologised for not introducing them at the start of the meeting.]</i></p>
<p><b>3. Introduction to the colleges</b> Train Shetland Short Course Team Project Programme of Work</p>	<p>Mr Sandison welcomed Ms A Pottinger, Manager of Train Shetland Short Courses to the Board meeting.</p> <p>Ms Pottinger provided the Board with a presentation and overview of Train Shetland, which is a leading provider of accredited and non-accredited training for the public and private sector.</p> <p>Of courses run in 2018/2019, 218 courses were carried out for 2024 delegates. Bookings and administration was also carried out on behalf of NAFC with 191 course for 1097 delegates. The income for that year was £336k.</p> <p>Ms Pottinger spoke of availability of bespoke courses with employers, for example Safe use of pesticides and Oftec training for heating engineers. This is training that normally is only available to those on the mainland. Train Shetland has sourced training and the trainer to provide the training and cost of that are spread across attendees giving employers an affordable cost.</p> <p>Ms Pottinger went on to discuss accreditation for courses such as Highfield for first aid, AAT for accountancy, REHIS for health and safety,</p>

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	<p>NOCN construction industry, JAAPT for bus and truck drivers. Train Shetland have been able to provide off the shelf training in courses such as Health and Safety to make it more relevant to those requesting the training. Train Shetland is also an Exam Centre for anyone who needs to sit an exam and is currently used by The Open University.</p> <p>Ms Pottinger moved on to future plans, growth and challenges, advising that Train Shetland were looking to work more with other industries and find out what training requirements they have as well as a smarter booking system to advise of training renewals due. One of the challenges faced is making course costs more cost effective and Train Shetland are looking into offering some courses online. Sustainability and recycling was discussed. Ms Pottinger mentioned sustainable projects that have been visited and that Train Shetland are now looking at offering short courses on how to help businesses become more sustainable.</p> <p>Ms Pottinger advised that Train Shetland are looking into a lot of future ideas and are currently looking at how to grow the business and working with both Shetland College and NAFC with short courses. She said there are some very good ideas which are going to be passed onto Ms Campbell.</p> <p>The Shadow Board then had an opportunity to ask any questions.</p> <p>Mr G Howell asked if the £336k income was the net or gross figure. Ms Campbell advised that as this is part of the council then the VAT hasn't been calculated and Mr G Gilfillan added that training does not carry VAT costs.</p> <p>Mr S Kerr asked if Train Shetland had been approached by anyone from the renewables industry which Ms Pottinger advised they would look at contacting other businesses, but Viking had been in touch to say they're not quite ready to consider training. Mr N Grant added that a meeting will be arranged with renewables and second tier contractors giving an opportunity to work with those companies. Mr Grant said there is significant scope and a portfolio of training that goes on to be recognised. Ms Pottinger spoke of the Flexible Work Force Development Fund which at present only SIC and NHS have used, but there may be other areas that could use that fund.</p> <p>Mr Campbell asked if post-merger would Train Shetland still be happy to have The Open University involved in the exam centre. As a paying customer it wasn't thought there would be any change and Ms Pottinger confirmed that Train Shetland is only the venue as The Open University provide their own invigilator.</p> <p>Ms Hambleton asked what the makeup of staff was within Train Shetland and Ms Pottinger confirmed there is herself, one trainer and an Admin Team with the rest of trainers contracted in. She added that this was a</p>

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	<p>challenge as there are travel costs for trainers being brought up from the mainland.</p> <p>Mr W Shannon asked if the split between private and public users were known. Ms Pottinger advised that the previous year had seen a lot of work from both sides, but this had changed this year. Ms Pottinger agreed to provide those figures.</p> <p>Mr Sandison thanked Ms Pottinger for her attendance.</p> <p><i>[Ms Pottinger left the meeting @ 5.10pm]</i></p>
<p><b>PB2019-21</b> College Name – new paper</p>	<p>Mr Sandison advised that although not definitive, himself, Mr Campbell and along with other input, arrived at situation that there was a suggestion that the College name of “Shetland Institute for Research, Education and Training (SIRET)” be shortened to “Shetland Institute” which was favoured and he asked for the Shadow Boards general reaction.</p> <p>Mr Campbell added that in discussions with the Acting Principle of UHI they were supportive of the idea, which is shorter, easier and more practical for the person on reception. Mr Campbell said his opinion would be to have the registered title in full and this wouldn’t prevent the college from trading as Shetland Institute. This would also remove the names of either body once merged.</p> <p>Mr Howell and Mr Goodlad both agreed that they thought from discussion at previous meeting that the decision had already been agreed to keep the full name, but to use Shetland Institute. Members broadly agreed and Mr Sandison said there will be a time the name is required to be registered as entity.</p> <p>Ms S Drysdale said that some considerations needs to take into place as a Non- incorporated company does not require ministerial approval in using the word ‘Institute’, however if incorporated then prior approval of the Secretary of State is required under Companies Act 2006. Ms Drysdale will circulate internally to their Executive and Mr Sandison said he hoped Ms Drysdale could assist them to secure the use of Institute.</p>
<p><b>PB2019-23</b> Revised draft of decision – Memorandum &amp; Articles of Association</p>	<p>Ms Campbell advised that the draft of the Memorandum &amp; Articles of Association was amended, following discussion with the Shadow Board, with an emphasis on there being two directors being part of the Fisheries Industry (the draft circulated to NAFC Board and to the College Board may have said one, which has now been amended). Fiona Larg from UHI has now looked at the draft. Ms Larg’s comments on the draft included increasing powers such as employing staff. Ms Campbell advised the Board is awaiting feedback from the SIC Lawyers and the document is still circulating as a draft, but asked for and update on the view from both NAFC and College boards on the draft.</p>

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	<p>Mr Grant said the College Board met earlier that day [28<sup>th</sup> August 2019] and received an update on the progress being made by the Shadow Board, and that further due diligence on the Memorandum and Articles of Association is being undertaken by council officers so that the SIC position can be reported back to the Shadow Board.</p> <p>Mr Sandison advised the NAFC Board met on 27<sup>th</sup> August 2019, but were inquorate when the agenda item was discussed. The NAFC Board thought a single agenda meeting was required when the Memorandum &amp; Articles of Association are available and to re-confer using the correct version and in concert with SIC Legal Services if required to agree the Mem &amp; Arts.</p> <p>Ms Campbell confirmed that the correct version, version 5 will be circulated.</p> <p>Mr Smith added that there hasn't been discussion at the College Board as latest version hasn't been received. He said as representatives of the Board we need to know the Councils position and use advice from Council officers for assurance. Unless a special College Board meeting is arranged it may take six weeks to discuss at the next meeting of the Board.</p> <p>Mr Goodlad noted the previous advice that Professor Jane Lewis was appointed as the new Principal Designate. Mr Goodlad said he had since learnt that Professor Lewis will also act as Principal of the College. Mr Campbell confirmed that this is correct. Mr Goodlad said that this is a change to what was discussed at the previous meeting and asked why the Shadow Board had not been informed. Mr Sandison agreed there has been no consultation with the Board of the change and that the decision would have been made at a Senior Management level. Mr Grant confirmed that he was one of the Senior Officer's involved and at short notice had to make a decision. He added that it was absolutely rational that Principal Designate take on the role until the vesting date and beyond. Mr Goodlad agrees with what Mr Grant had said, however was disappointed the Board wasn't advised and that it was not on the merits, but that a huge change had been made without consultation of the decision.</p> <p>Mr Sandison confirmed the points were noted and summarised that there is a need for better coordinated communications. Mr Grant apologised again, but added he would reflect on the sequence of events and was trying to keep moving with no deliberate intention not to consult.</p>
<p><b>5. PB2019-27</b> Preparation for appointment of Secretary of the Board</p>	<p>Ms Campbell covered the paper provided to the Board in the agenda pack and discussed the requirement to have Secretary to the Board. The initial recruitment date was hoped to be September, however this is delayed until a timeline for establishing the full Board is known. Ms Campbell asked for agreement that there is a need for appointment of</p>

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	<p>Secretary of the Board and to progress with advertisement to allow for the Secretary to be in place when the new Board is in place.</p> <p>Mr Smith commented that given the Shadow Board has no resources or decision making who will cover the costs. Ms Campbell said the costs will be to the employer, the new college, but suggested that advertisement costs should come from SFC funding provided to support merger development. Mr Smith agreed he wouldn't see this as a problem and Mr Campbell confirmed that he anticipated this would be a cost that was covered by SFC funding as the Board cannot become an employer before vesting. Ms Drysdale agreed these costs could be covered by Scottish Funding Council.</p> <p>Ms Campbell confirmed that the post would be part time. Mr Campbell agreed that his understanding is that this is the case in larger colleges and that the secretary is not part of a Management Team. Ms Hambleton suggested that the Secretary be an observer rather than a decision maker on the Senior Management Team. Ms Campbell thought the decision would be made by the Principal Designate.</p> <p>Mr Sandison thanked Ms Campbell and concluded that the paper be noted and at appropriate time move forward with it.</p>
<p><b>6. Report of staff survey</b></p>	<p>Ms Campbell gave a presentation to the Board on the 2019 staff survey and provided copies to the Board. There was a 60% response rate to the survey (presentation attached).</p> <p>Staff comments were discussed. Themes of staff feeling affected by change and needing to see financial sustainability runs throughout the survey, along with a staff concern that merger does not go ahead. Comments show a need for team building and addressing cultural differences. .</p> <p>When asked, Ms Campbell confirmed that the survey was taken after the appointment of the Principle and that Ms Campbell hopes the survey will be repeated.</p> <p>Mr Sandison concluded that it is refreshing and positive that staff are so enthused by it. He added it directly highlights some of the biggest challenges such as culture change, what is expected and what needs addressed. Mr Goodlad confirmed the survey was a great piece of work that should be carried out more frequently and the return figures should not be underestimated.</p> <p><i>[Mr Gilfillan left the meeting at 6.00pm]</i></p>
<p><b>PB2019-28</b> College buildings capacity</p>	<p>Ms Campbell explained that in the full business case approved by the Council, the main college building and Scalloway buildings would be transferred to the new College, and SIC would retain the Train Shetland building. At a future date the Council will bring forward the offer it</p>

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	<p>would make for that. In the interim period staff looked at the capacity of the buildings in context of growth and what will be required. Ms Campbell added in the initial period of the new college, increasing the commercial income will be vital, however losing the capacity of the Train Shetland building may slow down potential income and growth with the College struggling to accommodate commercial courses. Currently the majority of courses take place in Train Shetland with only the overspill coming to College. Ms Campbell asked if the Shadow Board thought it was appropriate to ask the council to rethink the decision.</p> <p>Ms Campbell confirmed the building is currently leased when asked by Mr Kerr.</p> <p>Mr Smith said the paper was of interest in what it says and in terms of how things move forward. He added the decision was made on the Full Business Case by the Council and NAFC trustees where assumptions would have been made around the buildings for their current and future business. Mr Smith would like reassurance that the decision in December was well founded. He was unsure that a recommendation could be made. Ms Campbell advised that she was not involved in business case, but her understanding is that the Full Business Case looked at repurposing certain rooms in the main college building and that Train Shetland currently offers the best accommodation for general purpose training as they aren't classrooms but training spaces. When room capacity was envisaged in the business case it wasn't done from a learning needs perspective and more on square footage. Mr Smith responded that this may question some of the work that was done when the original decision was made and that will need considered in due course.</p> <p>Mr Howell asked what maximum room/hours meant in terms of length of period. Mr R Gillies confirmed the calculation is on normal College teaching hours which is term time, Monday to Friday from 9.00.am to 5.00pm (6.5 hours per day). Ms Campbell agreed with Mr Howell that there could be growth in evenings and weekend hours however, commercial courses are generally required within working hours, which would clash with student use of the main buildings.</p> <p>Ms B Mouat followed on from Mr Smith and said that the Board acknowledge that there is no full understanding of the business case as no one has seen it, so decisions cannot be made on those assumptions. Ms Mouat added that her opinion would be to keep Train Shetland to increase commercial income, but staffing and need for space would need looked at as part of the business case. In terms of business case Ms Mouat added that there is so much information that the Board is lacking to make any decision on.</p> <p>Mr Anderson raised that the national terms and conditions for staff would need to be considered for any late hour working/training. Mr</p>

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	<p>Howell added that he understands the paper has been based on what the customer needs and not the service.</p> <p>Ms Urquhart advised that the College is open until 8.00pm Monday and Wednesday evenings and no one would like to see that diminished. She added that with ambition to grow the merger is a real opportunity to bring more courses and students to the College which would be difficult with the loss of the Train Shetland building. Ms Urquhart asked if the Council has plans for the use of the building. Mr Grant responded and confirmed that it is the decision the Council has made and agrees with Mr Smith and Ms Mouat that this decision needs born out by the business case. He advised that the estate value is around £1.4 million. Ms Urquhart said the Board need to see reasoning of the business case. Ms Campbell confirmed that more information will become available in September. The Board were advised that the current running costs of the Train Shetland Building is around £70,000.00.</p> <p>Ms Hambleton asked how the percentages were calculated and over what period. Mr Gillies said this was calculated across an annual usage of term time from Monday to Friday, 9.00am to 5.00pm. Mr Howell advised the context would be useful of the exact hours the buildings are in use.</p> <p>Ms Campbell asked if the Shadow Board wish to continue to look at the business model for keeping the Train Shetland building or go ahead without it. Mr Campbell said the Principal Designate needs to be involved in that decision and they will come forward with a plan for the future and the remit will include the use and need for property. He concluded that the Shadow Board can recognise the argument to retain Train Shetland, however shouldn't take any decision ahead of the Principal being in post.</p> <p>Mr Sandison added that a decision was taken and the assumptions around that are still valid until superseded by something else, which would be the Ministerial Business Case. He concluded that the Shadow Board can make comment, but other than discussion and noting the paper we can't do much more.</p> <p>Mr Goodlad referred back to Mr Smith and Ms Mouat's comments on the Council's Full Business Case and requires assurance that the Board will be provided with all information with full transparency in the new financial information it receives, and only then can the Shadow Board be satisfied.</p> <p><i>[Mr Howell and Ms Hambleton left the meeting 6.20pm]</i></p> <p>Ms Mouat noted that in the timescale given things are very tight and it leaves Train Shetland staff very uncertain of their future. Mr Sandison confirmed that working to the current time line there is a significant amount of work to be carried out in next two months. Ms Smith added that the Ministerial Business Case will be an element of this and what the requirements are for a sustainable college. He noted that the SIC and</p>

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	<p>NAFC are going to be equally keen to see the Ministerial Business Case, especially if it differs from what the original decisions were made on and whether they believe it's a viable proposition or not.</p> <p>Mr Anderson asked of the practicality of various properties and those being transferred once vested in terms of works, legal, insurance and practicalities that will need worked on. Mr Sandison advised this is all being discussed within works teams and nothing is concrete or available to share. Operational level staff are looking at who pays bills, etc. and with 91 working days until vesting they are very conscious of the time line, but a lot of work is underway and tying into governance process is a task.</p> <p>It was noted that the time line was tight to defer decisions and move to another meeting and that clarity is needed as staff need assurance and need to be preparing</p>
<p><b>8. Further thinking exercise: Shetland/local/national/international – the context for the new college</b></p>	<p>Ms Campbell had hoped to have more time for discussion on the exercise and suggested that anyone interested look at the presentation online. There are seven futures questions within presentation which Ms Campbell asked Board members to reflect on and provide answers to. Answers will then be collated and recirculated. She felt that looking at the exercise may help to re-focus on what the Board wants to achieve. Mr Sandison agreed with the suggestion and said the Board need to be persistent, force the case into middle and be bold and ambitious about what we want.</p>
<p><b>Date of next meeting</b></p>	<p>The date of next meeting is 25<sup>th</sup> September 2019. Ms Campbell proposed to change date to 2<sup>nd</sup> October 2019 to allow Principal Designate [who starts in post 1<sup>st</sup> October 2019] to attend. The rationale for making the request is that the business case and financial case is critical and the Principal should be part of that discussion.</p> <p>Mr Goodlad suggested to keep Shadow Board meeting as planned for 25<sup>th</sup> September and hold a second meeting on 2<sup>nd</sup> October or thereafter for the Board to meet Professor Jane Lewis. Mr Sandison agreed with the suggestion to hold a second meeting. Ms Campbell will circulate a poll of dates and confirmed the next meeting on 25<sup>th</sup> September will be held in Scalloway. Mr Sandison asked that papers are circulated by 18<sup>th</sup> September and Ms Campbell confirmed.</p>
<p><b>Conclusion</b></p>	<p>Mr Sandison concluded the expectation to have minutes circulated to board members one week before the next meeting and that the minute of previous meeting on 31<sup>st</sup> July 2019 will be ratified at the next meeting of the Shadow Board on 25<sup>th</sup> September 2019.</p> <p>Mr Sandison thanked everyone for attending and for their contributions.</p> <p>The meeting concluded at 6.35pm.</p>

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	D Sandison Joint Chair	

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