

Shadow Board – Shetland Merger Project

Committee	Shadow Board
Subject	College Building Capacity
Action requested	<input type="checkbox"/> For information only <input type="checkbox"/> For discussion <input checked="" type="checkbox"/> For recommendation
Brief summary of the paper	The SIC Full Business Case determined that a transfer of main buildings would be made to the main college, but that the Train Shetland building reverts to SIC. This paper assesses the capacity for growth within the main buildings and suggests the Train Shetland building will be required to support growth.
Resource implications [if yes, please provide detail]	Yes Running costs for all buildings is high due to poor insulation and heating. Maintaining use of the Train Shetland building will increase anticipated running costs
Risk implications [if yes, please provide detail]	No
Date paper prepared	22-Aug-19
Date of committee meeting	28-Aug-19
Author	Project Manager
Equality and diversity	No
Status	Non-confidential
Freedom of Information Can this paper be included in 'open' business?*	Yes

2. Recommendation

The Shadow Board should agree to make a formal request to the Council to retain Train Shetland building.

1. Background	
1.1	<ul style="list-style-type: none"> The SIC Full Business Case proposed transferring college buildings (including the Gremista main building and the Scalloway buildings owned by SIC).

	<ul style="list-style-type: none"> The FBC proposed that the Train Shetland building would be retained by SIC.
1.2	<ul style="list-style-type: none"> The new college will require growth in activities, including commercial courses and evening/weekend courses. An assessment of space used by current activity revealed that even with no growth, moving all activity to the two main Gremista and Scalloway buildings would be problematic.
2. Report authors	
2.1	<p>Project Manager</p> <ul style="list-style-type: none"> The attached paper was developed from an analysis of room usage by Shetland College, Train Shetland and NAFC staff.
3. Partners / stakeholders	
3.1	<p>Shetland Islands Council: The agreement by SIC to transfer buildings is being developed as an “offer”. The terms of this will be made to the Board by the end of September. Councillors agreed to some form of transfer at nominal cost to the college, however, also agreed to the Council retaining the Train Shetland building. Any change to this agreement must revert to Councillors.</p>
3.2	<p>Commercial customers: the Train Shetland building provides a positive training environment allowing for course delivery in which participants learn intensively. The quality of the space and comfort of participants needs to be of a high standard, particularly if we have to review the pricing of commercial courses and attract a more diverse audience.</p>
4. Shadow Board focus	
4.1 Financial	<ul style="list-style-type: none"> Whilst there are maintenance and utilities costs attached to retaining the Train Shetland building, there would be an opportunity cost attached to losing it. The pricing structure for commercial courses can reflect full cost recovery.
4.2 Strategic	<ul style="list-style-type: none"> Whilst many stakeholders would like a “fresh start” with a unified campus, it is clear this could only be considered in the distant future. In the 5-year plan required by the MMBC, current buildings will form the college estate. Losing the Train Shetland building at the point of merger may communicate a sense of the new college as a reduction on the current offer, to wider stakeholders
4.3 HR	N/A
4.4 Legal / regulatory	Link to leases/asset transfers to be considered
5. Other	

Analysis of Room Usage Gremista and Scalloway Campus

Background

The new college for Shetland must meet a wide range of learner needs whilst facing the challenge of becoming sustainable with existing physical resources. Growth in all kinds of learning opportunities are required to ensure its sustainability.

Current use of buildings by Train Shetland, Shetland College and NAFC is anticipated to remain the same or increase due to business activity.

Merger requirements

The Ministerial Merger Business Case requires a thorough overview of the assets and undertakings to be merged into the new entity. Guidance for the MMBC (Scottish Funding Council in which we will be required to describe *“space utilisation/quality of premises no less adequate or enhanced”*.

We will also be required to describe the curriculum, which is required to be *“safeguarded or enhanced”*.

Curriculum

Successful areas of the college curriculum are currently based on access to space dedicated to specific uses required for student course work and assessment, necessitating installation of static equipment: machinery (textiles, crafts, IT, construction, engineering, nautical). Further to this, the college will provide a large number of students with access to learning opportunities at colleges throughout the UHI network through computer suites and VC suites, all of which require installed equipment which cannot easily be moved daily or between classes.

Commercial course delivery is a vital part of future business for the new college. These courses attract large numbers of delegates on a wide variety of courses.

Space utilisation

Future increased learning opportunities and increased numbers of students on mainstream FE and HE courses, can be accommodated by hourly programming of rooms. It should be noted that the current clustering of course activity in certain parts of the Gremista main building also enhances student experience in the college, which has been designed with only one communal social space for students in the college canteen. Many students also use the college rooms in which their course work takes place to socialise or study informally between classes, and important part of the college experience.

- 60% of the rooms in Gremista main building (currently Shetland College) are considered general purpose rooms for flexible use.
- Of these flexible rooms, 40% have over 70% usage of room/hours' maximum capacity; 46% of flexible rooms have between 50% and 70% usage of room/hours' maximum capacity. Only 1 flexible room has less than 50% usage, and this is a small group room used for working with people with additional support needs.
- Specialised courses (arts, engineering, construction, nautical, computing, hospitality) have designated areas to accommodate their installed equipment. 38% of all rooms in the Gremista main building are specialised. 50% of specialised rooms are used between 50% and 75% usage of room/hours' maximum capacity.

Areas of the Scalloway campus not included in this analysis are specialised spaces for research (laboratories), nautical (simulator room) and engineering (workshops). Rooms leased to external agencies earn income and are similarly specialised (laboratory, canteen). Three rooms in the remaining space are not flexible: computer labs (two) and a theatre. It should be noted that remaining rooms have flexible space but rooms are limited

in size, the largest being capacity for 32 and 28. The majority hold class sizes of 10 to 15 – and some of these use rows of desks, making them unsuitable for some learning formats.

- 38% of the flexible learning space in Scalloway is used less than 40% of maximum room/hours capacity, but these are smaller rooms. Half of these have a capacity of only 8 people, the other two for less than 12 people.
- The remaining 62% of flexible learning space is used between 50% and 66% of the time.

Commercial courses, most of which can utilise flexible space, usually require sufficient room for breakout discussions, practical work (e.g. with first aid mannequins). It is important for course delivery to delegates from industry that they remain in the course room for the day and that course delivery is condensed to minimise time away from work. It is therefore essential that the space allocated to courses can be held for half-day, full-day, two day or longer courses. This does not fit with scheduling space in the Gremista main building or Scalloway campus, where shorter blocks of time required for lectures allows for some flexibility and space sharing between different courses.

Commercial courses are therefore scheduled in the Gremista annex (currently Train Shetland), allowing for flexible space to be programmed in blocks of time, without the need to compete with FE and HE course delivery for space.

- Of the six rooms in the annex, two are used more than 75% of maximum room/hours' capacity and the other two between 30% and 50% capacity overall.
- On several days each month all rooms in the annex are simultaneously in use and the limits of room size occasionally means courses have to be run more than once (there are no larger flexible rooms in the Gremista building that can be programmed in blocks of time for larger cohorts than can be accommodated in the annex).

Conclusion

- Flexible space is at a premium across the whole estate of the new college (Gremista main building, annex and Scalloway campus).
- Specialised space cannot revert to flexible space without negatively impacting on course delivery which is essential to FE and HE income and growth.
- Growth in commercial courses requires at least the same level of flexible space that is available now in the Gremista annex.
- The new college requires the transfer of the whole estate to enable it to become sustainable.

Options for full transfer of the estate may include an agreement to partially transfer some assets, and lease the annex with commitment to review after 5 or 10 years. However, it is clear from the sustainability challenge the new college faces that any short-term lease of the annex must be for nominal rent to ensure that income from commercial courses can be profitable. We do not want local employers/industries who require these courses to be disadvantaged by any fee increase that would be necessary if rental of the building above a nominal charge was required.

RC

20/8/19