

Shadow Board – College Merger
Room D24, Shetland College, Gremista, Lerwick
Wednesday 30 October 2019, 4.30pm

Present:

Board Members

Peter Campbell SIC SC *[Joint Chair]*
 Davie Sandison NAFC *[Joint Chair]*
 George Smith SIC SC
 Glenn Gilfillan NAFC staff rep
 Beth Mouat NAFC staff rep
 Andrew Anderson SIC SC staff rep
 Kevin Briggs SIC SC staff rep *[substituting for Rory Gillies]*
 Lauren Doughton Non-Executive Member
 Irene Hambleton Non-Executive Member
 Graeme Howell Non-Executive Member
 Steven Kerr Non-Executive Member
 Jean Urquhart Non-Executive Member

Apologies

John Goodlad Non-Executive Member
 Karen Hall Non-Executive Member
 Diane Rawlinson UHI (by VC)
 Sharon Drysdale Scottish Funding Council (by VC)
 Andrew Bowie HISA

Observers

Jane Lewis Principal – Shetland College and Train Shetland
 Willie Shannon Principal - NAFC
 Neil Grant SIC Director of Development
 Christine Ferguson SIC Director of Corporate Services

Board Support

Ruth Campbell UHI Project Manager
 Anne Cogle SIC Team Leader – Administration *[Minutes]*

Minute Ref	Item
Chair	Mr P Campbell, Joint Chair, chaired the meeting.
Welcome and Apologies	Mr Campbell opened the meeting and welcomed everyone. Apologies were read out and noted.
Minute – 25 September 2019	The minute of meeting held on 25 September 2019 was confirmed.

Minute Ref	Item
<p>Financial forecast PB2019-34 PB2019-35</p>	<p>The Project Manager provided a summary of work done on the financial forecasting since the last meeting, including the holding of a workshop. She added that a request had been made for the information to be distributed with the gaps completed, which had now been done, but with a specific request to exclude the NAFC financial position.</p> <p>The Project Manager went on to explain that discussion had taken place with Sharon Drysdale and Diane Rawlinson, and it was agreed that more information was required in terms of content. Specifically, areas around exploring the educational benefits of the merger, being clearer on what was going to be different in terms of greater opportunities for Shetland, and more evidence of the financial benefits of the merger.</p> <p>It was noted that Sharon Drysdale had agreed to send notes on the areas that she wanted more content on, including re-ordering the document so that the focus on the merger is more up front. Whilst waiting for Ms Drysdale to join the meeting by VC, the Project Manager said that some discussion could be held on the work done so far, and work done on comparing against other colleges of a similar size, in order to be clear about the costs.</p> <p>Ms Rawlinson said that she had submitted comments on the narrative within the MMBC. She said that, in line with the feedback received from members of the Board, and despite financial pressures that everyone was aware of, the MMBC needed to demonstrate a strong argument that explains the opportunity for students and skills development in Shetland would be vastly improved. Ms Rawlinson went on to say that there were still aspects that could be strengthened in terms of reference to different sectors and more confidence about the opportunities that the Shetland Institute will offer. In this regard, she said that the latest version was taking on a more positive direction and a much stronger argument for the merger, and if that could continue during the next revision, that would be an improvement. In terms of finances, Ms Rawlinson said that advisers at the SFC had found it difficult to do further financial analysis without more information, particular with regard to expenditure required going forward, which would provide further clarity for their purposes.</p> <p>Mr Campbell asked Board members for comments and thoughts on the issues raised so far. Mr Gilfillan advised that the financial workbook provided was an older version, and further information had now been added to the notes. However, he added that there was no material difference but slightly improved its understanding.</p> <p>Ms Hambleton said she welcomed the additional review of the finances and to see how that progresses. In this regard, Ms Hambleton asked that Mr Gilfillan be involved in that piece of work, taking an impartial view, even as an employee of the NAFC. Mr Campbell agreed, saying that would be useful.</p>

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	<p>Mr Sandison referred to the comments made by Ms Rawlinson and said it appeared to him that the SFC had reached a point where it was reasonably satisfied with the outline and structure, but going forward from here, it had to be about enhancement of the information, demonstrating that the proposal was better and more appealing and had more merit than previously displayed. Mr Sandison added that more information was needed from the SFC to gain understanding about the detailed required, and asked how this further work would affect the timetable and resource requirements.</p> <p>Ms Ferguson said that the latest version of the MMBC had been issued yesterday, and so the Shadow Board had not really had a great chance to go over it in detail. She added that was a regrettable situation, and suggested that the formal meeting could adjourn, but the Shadow Board members could remain and have further discussion around the points that had already been made. Ms Ferguson suggested that the Board could then reconvene at the earliest opportunity when the SFC and UHI could be present.</p> <p>[Ms Drysdale attended the meeting by VC].</p> <p>Ms Drysdale apologised for the technical issues that had prevented her attendance from the start. At the invitation of the Chair, Ms Drysdale provided the Board with her comments on aspects of the MMBC, , adding that she would provide more detail in writing after the meeting. A summary of the points made, and discussion, is summarised as follows</p> <ul style="list-style-type: none"> • In terms of the presentational aspect, the narrative, as a first draft was very good - some areas have real potential, such as the description of industry relationships and their context. • Context for the merger – an overview of the merging organisations, such as the information and history contained in the appendix, should be part of the context statement in the early part of the main document narrative. • Goals and aims of the merger should focus on the learner, as well as some narrative about what will be better for students, what will be different and what will happen to make that change, with references to curriculum choices, and how learning and teaching will different. • Document would benefit with reconsideration of the sequencing and presentation of the information that’s already there. • More information is needed about the national and regional context and what challenges will that aspect bring, and how these will be addressed. • Key deliverables in the appendix should be more prominent in the document, as the reason for supporting the merge. • The statement of intent is a bit vague, and should explain more about the how, why and when in terms of learning and teaching.

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	<ul style="list-style-type: none"> • More information about the structure of the organisation and its relationship to industry sectors described - what will that look like, and what steps are required to achieve it, and the timeline. • Information needed about what areas will be attractive to bring new students in from outwith Shetland, and what needs to be done to retain students in Shetland. This should provide context in terms of learning through from National to Doctorate level, and within the UHI context in terms of why students would ever have to go off island. • More context in terms of links to the community, what are the benefits of the new college to the community and what support functions to learning and teaching will be required. • Some information on assessment of the student experience would also be useful. A survey of last year’s students had been conducted, and UHI would be able to provide the survey data. • Comparative costs from other similar sized colleges would be required in order for the SFC to have some assurance on before considering the level of support. Whilst it was recognised that this would be difficult as the Shetland merger was unique and may have some inflated costs due to the island location. Other colleges would have different financial models and structures, and contrasting and comparing standard operational costs such as HR and other professional fees, staffing complements and turnover would be required. • Suggestions for comparison included West Highland, Lews Castle, Argyll and North Highland. Orkney College would also be considered, but it was noted that it was run by the local authority and so its financial structure was also different to other colleges. Some data would be available through the UHI and the SFC, as well as from the Principals of each of those Colleges. • Consideration for “island proofing”, in terms of the Islands Act, would be a requirement, and therefore the MMBC had to give context to the unique nature of the new college, its funding requirements, how it would improve outcomes for the learner and for the community. <p>The Board noted the Project Manager and staff from both colleges would continue to work on the MMBC, addressing the issues raised. It was noted also that more discussion and clarification around benchmarking and comparative information may be required, but this would be addressed as the work progressed. In the meantime, Ms Drysdale agreed to send on notes and comments from the SFC Finance Team, which would be shared with the Board members.</p>
Transition to the Full Board of Directors PB2019-36	The Project Manager summarised the terms of the report, highlighting the need to now register the company, and proceed to advertising for a new Chair and Board Secretary. She advised that, whilst there may be a delayed vesting date, it need not interfere with the process for advertising, and to address the matter of Board scrutiny functions.

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	<p>A discussion took place regarding the need to conduct Skills Needs Analysis of Board members, to ensure the skills required to be able to support the Principal and the new leadership team. The Principal of Shetland College agreed, but added that this would be best done once the new Board and Audit Committee had been established, as there may be new members and non-executive directors appointed.</p> <p>The Chair pointed out that there was potential for there to be a number of vacancies, including 5 additional non-executive directors. The Board noted that Fiona Larg, UHI Chief Operating Officer and Secretary, would be able to provide assistance in progressing the role of Chair and other appointments.</p> <p>Some discussion also took place regarding the name of the new entity, and it was noted that the processes of registering the company name now had to progress quickly. The Board noted that company registration was a key aspect in ensuring progress on matters such as TUPE and Admitted Body status, and Anderson Strathern were progressing due diligence work to ensure that was progressing as quickly as possible.</p> <p>Reference was made to the name “Shetland Institute” and some discussion regarding a suggestion that there had been a lack of staff consultation, and many staff at Shetland College did not like the new name. However, the Board was satisfied that staff and students had been consulted through an appropriate process, and agreed that “Shetland Institute UHI” had been agreed as the registered name.</p>
<p>Critical Milestones to Vesting – for information PB2019-37</p>	<p>The Project Manager introduced the report, and said that a short delay to the vesting date from 6 January to 3 February was being recommended.</p> <p>Ms Drysdale advised that she would have to look at the legislative timelines as to the impact a delay on vesting would have, including the impacts of the UK Parliamentary General Election on 12 December.</p> <p>Whilst Board members agreed it would be sensible at this stage to extend the vesting date by 4 weeks, it was also suggested that a further month should be added, just for contingency in case of any issues over the next short period.</p> <p>Ms C Ferguson said that, from a local government perspective, there were issues surrounding an election that would affect the activities of the local authority, including making public statements. She added that it was important realise the wide impact this merger would have on people and families across Shetland. Ms Ferguson said that the next few weeks were going to be very busy and very difficult, but went on to say that a daily log of activities was being kept, and very close links were being maintained with the SFC and UHI in terms of communications.</p> <p>Regarding the extent of the work required on the MMBC, Ms Ferguson added that perhaps there was a need to make time in January to work out a detailed plan and timetable on the work that needs to be done.</p>

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	<p>She added that this would be separate from the dialogue required with staff around TUPE, and with students.</p> <p>Prof J Lewis said that it would be important for staff groups to start working together ahead of vesting, and to proceed with merging the work of both organisations. She suggested that, in terms of management structures, perhaps that work could be brought forward. Ms Ferguson said there was already a Council commitment towards engaging in that process, and in terms of the context of wider communication issues.</p> <p>Mr Briggs said that in terms of the financial case and the MMBC, there had not been enough time to look at these before the meeting, and so re-scheduling was crucially important. He said that as well as affected households and families, Mr Briggs said it was important to recognise that the merger would also have an impact on Train Shetland contractors, and others contracted in both organisations.</p> <p>Ms Hambleton said she welcomed a delay and not rushing matters, adding that it would be useful for the relevant staff to work together and address questions around what has to be funded, and then whether the SFC will fund it. Mr Campbell said that once benchmarking had been done, the SFC would be in a better position to know.</p> <p>The Board agreed that following updating of the MMBC, there should be extensive circulation of it to staff and students, and then it would need final endorsement from the NAFC and the SIC. Whilst there were some concerns with regard to the financial aspects, it was hoped that this work would progress and time would be allowed for Board members to have a proper discussion on it, to agree it and to ensure that the SFC was prepared to fund it. On this matter, Mr G Smith asked what the position of the SFC would be if there was a need to make further reductions in staffing. Ms Rawlinson said that without seeing the detailed financial information, the SFC would not give an “in principle” figure that they would fund, but would want see evidence for the funding request before responding.</p> <p>A previous seminar on governance held last year was mentioned, and a suggestion made that it might have been useful for another such seminar to be arranged, giving Board members further information and confidence about the decisions required. It was also suggested that a facilitated event including staff and students would be a good opportunity to work on improving communications. Prof Lewis and Mr Shannon agreed to organise an email to Board members and staff to arrange. A visit to Shetland College had already taken place, and the visit to NAFC by Board members was being re-organised.</p> <p>The Board noted that its current form would continue until vesting date, and further information would be advised as to the next steps and new timeline for establishing the new Board.</p>

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	In the meantime, advice would be sought from Anderson Strathern as to the new timeline and structure of the project moving forward.	
Conclusion	Mr Campbell thanked everyone for attending and for their contributions. The meeting concluded at 6.20 p.m.	
	P Campbell Joint Chair	D Sandison Joint Chair

END