

**Shadow Board – College Merger**  
**Room D24, Shetland College, Gremista, Lerwick**  
**Wednesday 11 December 2019, 4.30pm**

**Present:**

**Board Members**

Peter Campbell SIC SC *[Joint Chair]*  
 Davie Sandison NAFC *[Joint Chair]*  
 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]*  
 Andrew Bowie HISA (by VC)  
 Lauren Doughton Non-Executive Member  
 Graeme Howell Non-Executive Member  
 Jean Urquhart Non-Executive Member

**Apologies**

George Smith SIC SC  
 John Goodlad Non-Executive Member  
 Karen Hall Non-Executive Member  
 Irene Hambleton Non-Executive Member  
 Steven Kerr Non-Executive Member

**Observers**

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

**Board Support**

Ruth Campbell UHI Project Manager  
 Jacqui Clark SIC *[Minutes]*  
 Fiona Larg UHI (by VC)  
 Diane Rawlinson UHI (by VC)  
 Sharon Drysdale Scottish Funding Council (by VC)

Minute Ref	Item
<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.
<b>Minute – 30 October 2019</b>	The minute of meeting held on 30 October 2019 was confirmed.  Ms Ferguson asked that, to clarify for the record, her statement that it was regrettable we could not get a connection on page 3 of the minute was in relation to being unable to connect with Ms Drysdale by VC.

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<p><b>Anderson Strathern feedback on MAA PB2019-38</b></p>	<p>The Project Manager provided a summary of amendments which had been made to the Memorandum and Articles of Association (MAA), including a reference on Page 28 of student/staff directors as opposed to representatives.</p> <p>Ms Larg said there were areas which would have to be updated in line with the Guidance for Board Members in the College Sector.</p> <p>Mr Shannon stated there were was an error with page numbering at page 10.</p> <p><b>Decisions/Actions:</b> Ms Larg to follow up further amendments and ensure guidance requirements were addressed.</p> <p>Mr Anderson stated he felt uncomfortable about the status of the future Shetland Institute and he requested a final decision on the MAA be placed on hold till such time as full consultation had taken place. He added he was aware of concerns from staff and students which would have to be taken account of.</p> <p>Ms Ferguson said it may be helpful to note that legal due diligence was undertaken by Anderson Strathern on behalf of SIC and SFTCT during the Full Business Case (FBC). That had also noted advice from UHI. Prior to the FBC being shared there had been a seminar on Governance and Law. That diligence was taken account of in the decisions of both organisations.</p> <p>Ms Larg explained that for existing incorporated colleges within the partnership, UHI can only pay out funds on a monthly basis and there are restrictive monthly cashflow arrangements. Furthermore, an incorporated college cannot carry forward reserves at a financial year end.</p> <p><b>Decisions/Actions:</b> Ms Larg to prepare a note for the Shadow Board to explain the challenges of Incorporated versus Unincorporated.</p> <p>It was noted that it would be helpful if the EIS could make clear their specific concerns. Mr Anderson explained that a report was being drafted and that a special meeting of the Shetland College Lecturers Joint Consultative Committee (JCC) was being requested.</p> <p>Mr Howell was unclear as to why this was still being discussed, as he was under the impression a decision had made. Mr Sandison agreed and added there had not been material changes since the FBC due diligence. Mr Sandison noted the importance of the Shadow Board leading a process that would result in ministerial approval.</p> <p>Mr Anderson felt it was fundamental to the future of tertiary education in Shetland for this matter to be fully consulted on. Prof. Lewis made clear there had been many discussions with staff and students and it would help if such concerns were raised at those times.</p>

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	<p>Mr Sandison stated, that in order to avoid further delays, the decision which have been made to date on the basis of due diligence, would remain. If there are issues or concerns they could be raised when the formal consultations on the MMBC take place.</p>
<p><b>Update on MMBC and SFC feedback</b> PB2019-39</p>	<p>The Project Manager referenced an email she had circulated outlining questions to focus feedback on the latest draft. She thanked those who had provided comments to date. It was important for the MMBC to set out a clear vision for the new College.</p> <p>In response to a query, Ms Drysdale explained the full document would be read by SFC and they would then prepare a report to Government. With regards to content, she suggested as an example that section 3.5 could become an appendix. That would help in ensuring the relevance of the current provision is not lost but the focus would be clearly on the future.</p> <p>During discussion, the following points were noted:</p> <ul style="list-style-type: none"> <li>• Mr Campbell reflected that he felt the document was getting there but could more compact with less duplication</li> <li>• Prof. Lewis had started drafting a summary</li> <li>• Mr Briggs reflected that themes were sometimes lost and there were times when evidence was lacking with clear direction on how benefits of merger would be measured</li> <li>• Ms Mouat requested page numbers and stated the strategic themes were not clear within the document</li> <li>• Ms Urquhart felt the student experience could be strengthened</li> <li>• It was noted there were occasions when certain words provided the wrong impression – e.g. re-engage with schools implies there is no current engagement</li> <li>• Ms Mouat noted that collaboration within UHI should be made clearer.</li> </ul> <p>Mr Sandison stated that we have been challenged by SFC and UHI to strengthen the case for merger.</p> <p><b>Decisions/Actions:</b> Mr Bowie was struggling to follow the discussion by VC. He said he would email his comments to the Project Manager.</p> <p>It was noted that during MMBC consultation stages that alternatives to written forms (e.g. videos) would be welcomed. That would also help in telling the story of the merger in the community.</p> <p>Ms Drysdale made clear that if you cannot describe what will be fundamentally different in the future for students then you are not there yet.</p> <p><b>Decisions/Actions:</b> Following discussion, it was agreed that the theme of Wellbeing would be changed to Wellbeing and Inclusion.</p>

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	<p>Prof. Lewis stated that Audrey Edwards from the Council would be providing assistance on the narrative for the MMBC. It was noted the draft would be ready by the second week of January.</p>
<p><b>Revised timelines to vesting</b> PB2019-40</p>	<p>Prof. Lewis stated that since the last Shadow Board meeting a Merger Working Group had been convened along with a finance group. She added the earliest that the finance workshop could be organised was early February. It was noted that the time of year was not ideal due to Christmas shut-down and Up Helly Aa.</p> <p>Prof. Lewis stated that local deadlines had been considered within a timeline received from Ms Drysdale. Meetings to 'endorse' the MMBC would be scheduled for the week beginning 10<sup>th</sup> February. Ms Drysdale outlined the timescales following that, which included consultation periods, parliamentary recesses as well as parliamentary process. The worst case scenario looked like early November.</p> <p>Ms Larg stated that it was critical to demonstrate value for money. The finance workshop only taking place on 3<sup>rd</sup> of February could potentially be constrictive, especially if the MMBC would be shared by that stage for meetings during the following week.</p> <p><b>Decisions/Actions:</b> Following discussion, it was agreed that UHI and SFC would participate in the finance workshops. Prof. Lewis would share the details with Ms Larg and Ms Drysdale.</p> <p>Further discussion followed on the merger timescale. It was noted that the preference would be a vesting date which coincides with the beginning of an academic year. It was suggested that at this stage it would be prudent to not announce a date but to instead make clear it would not be achieved within the current academic year.</p> <p>Ms Ferguson said that the February meeting schedule for the Council could be met. She highlighted that if there were material changes to the decisions taken during MMBC consultations that it would then have to go back to council for consideration. That process, including agenda management, takes approximately six weeks.</p> <p>Mr Shannon confirmed they had a meeting of the Trust scheduled for 6<sup>th</sup> February 2020 and that Trustees would want to be satisfied that the financial position would be improved for the new college from the current situation.</p> <p>Mr Howell asked why, given that January 2020 had been the original proposed vesting date, that the timescale now was leaning more towards November 2020. Mr Sandison stated the Full Business Case had suggested a vesting date of August 2020.</p> <p>It was noted in discussion that delays are detrimental to all parties which is why it is imperative to prioritise the February deadline locally.</p>

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	<p>Ms Urquhart queried how achievable the start of the next academic year would be. Mr Howell agreed and said for the sake of staff and students it was important to be realistic. Ms Mouat added that staff have a certain amount of scepticism surrounding the whole process to date, and there was a lack of confidence. Ms Rawlinson said that could be helped by efforts to cement joint leadership for the new College along with, e.g. a joint prospectus. Prof. Lewis said work had started through the merger working group, which would lead to other joint efforts.</p> <p>Mr Shannon outlined challenges which the Trust were encountering with regards to transitional funding. As the vesting date was delayed that situation was becoming more critical. He added that confidence would be boosted should that situation be supported.</p> <p>In response to a query as to whether the two sections of twelve weeks consultations could be reduced, Ms Drysdale made clear that only six weeks had been factored in the timeline and that still resulted in November vesting.</p> <p><b>Decisions/Actions:</b> Ms Drysdale would circulate the merger timeline by email to the Shadow Board.</p> <p>Mr Gilfillan asked for clarification regarding when SFC would confirm funding for merger transitions and VS costs. Specifically, Mr Gilfillan queried following the finance seminar in February, how trustees would be in a position to agree the MMBC if the funding package was not clear at that stage (as the financial business case would be part of the MMBC). Ms Drysdale said that SFC and UHI being part of the meetings to prepare the finance business case would help but final decisions on funding would only be made clear on approval of the MMBC. She offered to discuss further with Mr Gilfillan.</p> <p>Ms Urquhart said she wished to thank the Project Manager for organising the meetings. Prof. Lewis added she wished to extend her thanks for her work on the project.</p> <p>In response to a query regarding project resources, Prof. Lewis stated it was important to explore in-house solutions because of time constraints and she was looking at the most effective ways of achieving that with the merger working group.</p>
<p><b>Update on the Chair</b></p>	<p>It was noted that there had been one applicant and that non-executive members would remain after the meeting to agree the best way forward, which may include re-advertising.</p> <p>Ms Larg said an appointing panel should be in place.</p> <p><b>Decisions/Actions:</b> Ms Larg would discuss the appointing panel with the Project Manager.</p>

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	<p>Ms Ferguson asked what would happen now without the Project Manager in post, for supporting such an appointing panel and also in regards to the Shadow Board.</p> <p><b>Decisions/Actions:</b> Mr Sandison asked for this to be discussed with Ms Larg at UHI.</p> <p>Ms Larg and Ms Rawlinson gave their apologies and left the meeting at 6.35pm. The VC connection was then lost which resulted in Mr Bowie and Ms Drysdale also leaving the meeting.</p>	
<p><b>Michael Foxley Letter to note</b></p>	<p>Mr Shannon stated that he had already responded directly to Mr Foxley as the original letter had not been circulated to NAFC. Ms Ferguson clarified that the letter had been copied to the Chief Executive and she had been asked to follow up. The joint response had been copied to Mr Shannon.</p> <p><b>Decisions/Actions:</b> Mr Sandison asked Ms Ferguson to share the joint response sent to Mr Foxley with the Shadow Board.</p>	
<p><b>EIS correspondence to note</b></p>	<p>It was noted that a number of letters had been sent, including to the Council. Ms Ferguson stated it was important to approach such correspondence in a co-ordinated way, whilst acknowledging that the Union can write to whomever they please. Ms Mouat said that she felt it was important to say that not all staff shared the same concerns and that the majority of staff at NAFC were not represented by EIS-FELA.</p> <p>Mr Campbell asked for his thanks to the Project Manager to be recorded.</p> <p>The meeting concluded at 6.55pm.</p>	
	<p><b>P Campbell</b> <b>Joint Chair</b></p>	<p><b>D Sandison</b> <b>Joint Chair</b></p>

END

<b>Minute Ref</b>	<b>Decision / Action</b>	<b>Update / Progress</b>
<b>Anderson Strathern feedback on MAA</b> PB2019-38	Ms Larg to follow up further amendments and ensure guidance requirements were addressed.	
	Ms Larg to prepare a note for the Shadow Board to explain the challenges of Incorporated versus Unincorporated.	
<b>Update on MMBC and SFC feedback</b> PB2019-39	Mr Bowie was struggling to follow the discussion by VC. He said he would email his comments to the Project Manager.	
	Following discussion, it was agreed that the theme of Wellbeing would be changed to Wellbeing and Inclusion.	
<b>Revised timelines to vesting</b> PB2019-40	Following discussion, it was agreed that UHI and SFC would participate in the finance workshops. Prof. Lewis would share the details with Ms Larg and Ms Drysdale.	
	Ms Drysdale would circulate the merger timeline by email to the Shadow Board.	
<b>Update on the Chair</b>	Ms Larg would discuss the appointing panel with the Project Manager.	
	Mr Sandison asked for this to be discussed with Ms Larg at UHI.	
<b>Michael Foxley Letter to note</b>	Mr Sandison asked Ms Ferguson to share the joint response sent to Mr Foxley with the Shadow Board.	