

## Shetland College Board

Council Chamber, Town Hall, Lerwick  
Wednesday 28 August 2019 at 10.00am

### Present:

P Campbell                      G Smith  
T Smith

### Apologies:

E Macdonald                      A Priest  
B Wishart

### In attendance (Officers):

C Ferguson, Director of Corporate Services  
N Grant, Director – Development Services  
J Clark, Project Manager  
S Berry, Depute Principal  
R Gillies, Operations Manager  
A Pottinger, Manager – Train Shetland (Short Courses)  
J Thomason, Management Accountant  
P Wishart, Solicitor  
L Geddes, Committee Officer

### Chair

Mr Campbell, Chair of the Board, presided.

### Circular

The circular calling the meeting was held as read.

### Declarations of Interest

None

### 08/19      Development Directorate Performance Report – 2018/19

The Board considered a report by the Director of Development Services (DV-09-19-F) summarising the activity and performance of the Development Directorate for 2018/19.

The Director of Development Services summarised the main terms of the report, highlighting in particular achievement rates and delegate numbers for Shetland College and Train Shetland.

In response to a question regarding how much of the contribution required from the Council related to property costs, the Management Accountant advised that the projected outturn for property costs for 2018/19 was £765,000, which was an overspend of £266,000. In the business case for the new entity, leasing costs had

been removed, and rates costs would also be removed as it would be classed as a charity. Therefore property costs should be in the range of £120,000 in future.

She also confirmed that £123,000 of the property costs overspend related to net repayment of funding from the EU grant awarded for the Phase 3 development, and this was now fully settled.

It was commented that the performance over 2018/19 was commendable, and that it was vital that the new organisation had the necessary resources to continue to deliver this level of performance.

**Decision:**

The Shetland College Board NOTED the content of the report.

09/19

**Development Services Directorate Plan 2019-2022**

The Board considered a report by the Director of Development Services (DV-10-19-F) presenting the Development Services Directorate Plan for 2019-22.

The Director of Development Services summarised the main terms of the report, highlighting in particular the projects in relation to developing Shetland's skilled workforce which would play a major part in the new model going forward.

He then went on to answer questions, and the Board noted the following:

- The establishment of "Unique Selling Points" for attracting students to Shetland was in the early stages, and it was part of the work being carried out by Promote Shetland. There was more work required in terms of getting the message out to students.
- It was understood that UHI were no longer pursuing the provision of student accommodation locally as part of its programme. A group within Shetland College and the NAFC was currently looking at what provision existed, what opportunities there would be for using existing rental provision, and the opportunities for new accommodation, and this would ultimately provide an assessment of whether there was a need to provide accommodation. Student accommodation was something that the new organisation would focus on rather than the Council, but it was likely that the Council would have a stakeholder role.
- Work was required to pull together targets from individual organisations regarding student and Modern Apprentice levels to get a better understanding of future industry and business development in Shetland. There had been engagement with industry and a skills survey had been carried out around a year ago, so there was some evidence available. However at the moment there was not a firm evidence base for planning to deliver what was needed to go forward, and work was required to get to this position.
- Work was ongoing regarding the provision of training through Modern Apprenticeships for the care sector and early learning for the Council. The funding for an additional 40 places would amount to £50-60,000, but consideration would have to be given to the resources that would require to be in place in order that these additional places could be delivered locally. Funding received for Modern Apprentices did not cover the cost to the Council of the Modern Apprenticeship levy, but this was common to all local authorities.

**Decision:**

The Shetland College Board ENDORSED the Directorate Plan, recognising that the Director of Development Services will make any adjustments required to ensure it is fully aligned to the Council's Corporate Plan.

10/19

**Shetland College Principal's Update**

The Board considered a report by the Acting Principal (SCB-148-F) updating Board members on activity across the tertiary sector in Shetland.

The Acting Principal summarised the main terms of the report, advising that the College was in a slight overtrading position this year. There was a downturn in applications, but the College was continuing to accept applications over the next few weeks. It was likely that the College would not be in an overtrading position next year, but there was confidence that the target would be met. She went on to say that exam results reflected the national picture, with a slight decrease in Higher A-C and an increase in N5. She also highlighted the positive feedback that had been received following the first joint graduation ceremony, and she thanked the Operations Manager and the Student Engagement Team for their work in arranging it.

The Chair expressed thanks to those involved in organising the graduation ceremony, and those who had received awards.

It was noted that there had been a reduction in FT FE applications, and the Acting Principal said that the reduced capacity to carry out marketing may have had an impact, and there was also a reduction in the number of school leavers. The College would be meeting with Children's Services and Skills Development Scotland to increase awareness and to adapt the curriculum. She also confirmed that there was a fee waiver in place for Highers due to the age of students involved, but that they did attract credits, and that targets were set by individual department heads based on previous trends and discussions with industry and schools.

The Manager – Train Shetland (Short Courses) then provided an update on recent activity at Train Shetland, advising that it had been a very busy period with a total of 62 courses run for 561 delegates over the last quarter. There had been a huge push to get bus and lorry drivers through CPC and ADR courses, and additional courses had been arranged.

It was questioned what proportion of the 561 delegates were Council staff, and the Manager – Train Shetland (Short Courses) advised that there had been 39 staff over four courses in the figures she had to hand, but that some Council staff that would have attended some of the other courses that had been run. She would arrange to provide a breakdown of the numbers of SIC staff attending courses at Train Shetland to be supplied.

It was commented that it was important to acknowledge that one of the big factors in the sustainability of the new merged organisation was SIC staff undertaking training there, and concern was expressed that the Council did not appear to be making full use of Train Shetland.

**Decision:**

The Board NOTED the content of the report, and the current position in relation to FE and HE enrolments for the academic session 2018/19, Train Shetland activity levels, and current student application figures.

11/19

### **College Merger Update**

The Board considered a report by the Director of Development Services (DV-24-19-F) updating Board members with progress on the merger.

The Director of Development Services summarised the main terms of the report, outlining the latest developments including the appointment of a Principal Designate and the development of the Ministerial Merger Business Case (MMBC). The newly-recruited non-executive members were now attending the monthly meetings of the Shadow Board and, at the last meeting, there had been specific issues relating to governance and whether or not the new entity should be incorporated. The draft Memorandum and Articles of Association had been updated and require stakeholder input, and a work programme and stakeholder engagement plans had been discussed.

The Chair pointed out that the Shadow Board had considered the draft Memorandum and Articles of Association, adapted from West Highland College UHI, and that it had been accepted that they be adopted subject to due diligence. He went on to say that it was a complex situation as the College Board had the interests of the Council to consider, and the NAFC trustees had the interests of the NAFC to consider. Both were trying to find the best way forward, but the Shadow Board had no decision-making abilities.

The Solicitor said that it was important to understand that the Shadow Board had no legal personality in that it could not enter into contracts or make binding decisions, and its members could not be sued. It was there to provide direction and leadership guidance, and to help ensure that there was a smooth transition to a merged college. However what could happen inadvertently is that it could commit to something that the Council could not commit to or that deviated from the Full Business Case that the Council had agreed to. The Council's representatives on the Shadow Board should therefore be flagging up anything that deviated from what the Council had agreed to.

It was commented that acceptance of the draft Memorandum and Articles of Association inferred that everyone was satisfied with them, but this was not the case. It was understood that the NAFC trustees would be discussing them further to ensure that they satisfied their requirements, and it was expected that the College Board should have had the same opportunity to do so, though this had not been the case so far. It was questioned what information should be presented to the College Board, what role it had in decision-making, and what relevance its representatives had on the Shadow Board.

The Director of Corporate Services said that it was difficult for Members to be supported and prepared for Shadow Board meetings unless Council staff had seen the papers for meetings in advance, and these papers were clear about the level of governance, delegated authority, and decision-making likely to be required. The draft Memorandum and Articles of Association would require to be approved by a body with appropriate authority. There was an expectation that representatives of the various agencies on the Shadow Board would come to an agreed position on what could be recommended for the new entity, based on the appropriate advice

and information being provided to them. The Shadow Board had no authority to ratify decisions, and the Council should not be ratifying decisions of the Shadow Board. The Council's representatives were there to protect and safeguard the interests of the Council. If there were material changes to the agreed business case or something that committed the Council to something, they should be advising the Shadow Board that this would be taken back to the Council for officers to provide advice. She hoped that the Members were confident with the level of detail of the work that was coming through the Shadow Board, and were comfortable to say whether it fitted with the business case and the ambitions of the Council's strategic plans and community planning.

The Solicitor added that with regard to the draft Memorandum and Articles of Association for the new entity, what the Council need to be considering was whether its interests were being protected and whether it was creating something that the Council had not agreed to. Ultimately the new entity would have its own Memorandum and Articles of Association which would decide the way it would run things, and this may not be the way the Council would have run it.

The Chair pointed out that UHI would be visiting Shetland in mid-September, and there would be the opportunity to clearly state the Council's position then. He was of the view that would be beneficial for a partnership agreement or understanding to be prepared so that those involved in the merger process were fully aware of their responsibilities, and the Board concurred.

The Director of Corporate Services agreed that it would be in everyone's interest to have this. It would help to facilitate the process, and assist understanding of levels of decision-making.

It was questioned if the Council's representatives on the Shadow Board had the right to veto something if they wished to go back to the Council for instruction or advice.

The Solicitor advised that while it would not be referred to as a veto, if there was something presented to the Shadow Board that did not fit with what the Council had previously decided, this should be flagged up.

The Director of Corporate Services added that the word veto implied decision, but the Shadow Board could not take decisions. If stakeholders were uncomfortable with something being presented, they could go back to their partner organisation and support could be withdrawn.

The Director of Development Services advised that he was of the view that the Memorandum and Articles of Association were not where they required to be, and the organisations should be commenting whether or not they were happy with them.

It was commented that because reports were presented to the Shadow Board quite late, there was not time for officers to have input, and the Council's representatives could therefore only express their own personal views at meetings. It was suggested that there should be an agenda management process in place whereby officers could see documents that were being presented in advance, and this was something the Project Merger Manager could work on preparing.

**Decision:**

The Shetland College Board NOTED the progress on the merger.

The meeting concluded at 11.20am.

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Chair