

Shadow Board – College Merger

WebEx

Wednesday 17 June 2020, 4.30pm

Present:

Board Members

Peter Campbell SIC SC *[Joint Chair]*
Davie Sandison NAFC *[Joint Chair]*
Jane Lewis Principal – Shetland College and Train Shetland
Glen Gilfillan NAFC staff rep
Beth Mouat NAFC staff rep
Andrew Anderson SIC SC staff rep
George Wallington SIC SC staff rep
George Smith SIC SC
Lauren Doughton Non-Executive Member
Karen Hall Non-Executive Member
Graeme Howell Non-Executive Member
Jean Urquhart Non-Executive Member

Apologies

John Goodlad Non-Executive Member
Irene Hambleton Non-Executive Member

Observers

Willie Shannon Principal – NAFC
Christine Ferguson SIC Director of Corporate Services

Board Support

Jacqui Clark SIC *[Minutes]*
Fiona Larg UHI
Sharon Drysdale Scottish Funding Council

Guest presenter

Iain Macmillan Principal – Lews Castle College UHI

Minute Ref	Item
Chair	Mr D Sandison, Joint Chair, chaired the meeting.
Welcome and Apologies	Mr Sandison initially opened the meeting and welcomed everyone. Mr Sandison welcomed Ms Larg, who is replacing Ms Rawlinson who is leaving UHI at the end of June. Mr Sandison acknowledged the help and support that Ms Rawlinson had provided over the years and wished her well for the future. Apologies were read out and noted.
Minute – 20 May 2020	The minute of meeting held on 20 May 2020 was confirmed.

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Matters Arising	All points had been actioned.
Next Steps – Formation of transition board PB2020 - 13	<p>Ms Larg stated that a company was formed and one member remained. Articles cannot be approved by one therefore there can be amendments made which would be subject to approval by the Transition Board, once in place.</p> <p>Further amendments would include changing staff representation to four and adding two students. There would be no members from the Council and the Principal Designate would be appointed. It was further noted that the Chair recruitment was ongoing but in the interim a non-exec member would become interim chair.</p> <p>Ms Larg made clear that ‘Institute’ cannot be registered as it requires Ministerial approval. Following a query from Mr Sandison, she confirmed that there should not be a problem with applying for a name change with OSCR if required and the name with which we intend to trade would be made clear at the time of application.</p> <p>Ms Larg clarified for Mr Howell that the Transition Board would take over the function of the Shadow Board and that there would be efforts to recruit additional non-executive members. It was further noted that the transition board would take forward governance arrangements.</p> <p>Mr Anderson sought clarity on whether the Transition Board would reflect the proposed changes to board membership which would facilitate Union membership from November 2020. Following discussion it was noted that the Board would function in line with guidance and ensuring the right balance of membership with regards to non-executive membership.</p> <p>If there were any further comments on the articles or the terms of reference, which were also circulated with the report, then these could be passed to Prof. Lewis or the Joint Chairs.</p>
Presentation from Iain Macmillan, Principal and Chief Executive Lews Castle College	<p>Mr Sandison welcomed Mr Macmillan, who started his presentation by outlining the key demographics of the Western Isles and key dates for the College going back to the first students in 1953. The College was initially transferred from the local authority under the FE Act in April 1993 but was re-classified as incorporated in April 2014, which was a return to the public sector.</p> <p>Mr Macmillan highlighted a number of points which included:</p> <ul style="list-style-type: none"> ○ The College prior to being re-classified was a non-profit organisation which recognised trade unions and which was subject to a high level of scrutiny and accountability ○ There was a real benefit for Lews Case in their early involvement with UHI ○ The opportunities for staff and secondments and research within UHI were and continue to be important ○ Being 3rd sector worked well for them and SFC.

Minute Ref	Item
	<p>2014 was, in Mr Macmillan’s opinion, a retrograde step. Points he highlighted included:</p> <ul style="list-style-type: none"> ○ Financial planning limited to year by year basis ○ Short term balances with no eye to medium or long term ○ Onerous and unnecessary financial reporting ○ 16 days cash in the bank and a massive burden for staff on managing cashflow ○ There is no point in creating surplus as it cannot be carried forward ○ Working across the academic as well as the Government’s accounting year increases operational risks and impacts on subsequent academic year ○ The UHI has more influence and can transfer staff and property (following consultation). <p>Mr Macmillan said the Code of Good Governance, Trade Unions and OSCR are there as layers of accountability. He added that if he were given the opportunity to choose to be incorporated his answer would be a clear no. He suggested Shetland UHI would be slightly smaller than Lews Castle, which he felt was too small to be incorporated.</p> <p>In response to a query Mr Macmillan confirmed that it was not in his powers to change back and it is easier to go from unincorporated to incorporated but it requires legislation to be passed. Mr Macmillan added that he believes ‘Public versus Private’ was the wrong distinction. He added that Lews Castle was a not for profit 3rd sector charity and the Articles of Association established and set out clearly the safeguards and accountability.</p> <p>Mr Anderson asked if Lews Castle generated a surplus. Mr Macmillan responded that even if they did it would serve no purpose as they wouldn’t be able to use the funds.</p> <p>Mr Gilfillan asked about the cash flow and the challenges of managing on the basis of 16 days cash. Mr Macmillan said that there had been occasions when balances were very low after running e.g. payroll.</p> <p>Mr Shannon thanked Mr Macmillan for his contribution and wished him well for the future, noting that his wealth of knowledge and experience would be missed within the UHI partnership.</p> <p>Mr Sandison thanked Mr Macmillan for this attendance and informative presentation.</p>
<p>Consultation PB2020-15</p>	<p>Prof. Lewis said that there had been 70 responses to date and encouraged Shadow Board members to promote the survey with friends.</p> <p>It was noted that there were meetings organised with students and that there had been a reasonable return to date. The consultation timescale was on target.</p>

Minute Ref	Item
Update – recruitment of Chair	Ms Larg stated there would be adverts running for the next two weeks in local media. She added that there would be email communication with local employers to raise the profile.
Risk Register PB2020-16	<p>It was noted that had been updated to take account of the requested updates from the last meeting.</p> <p>Following discussion, it was agreed that a sub-group to focus on the risk register would be beneficial. It was noted that would be best followed up when new arrangements in relation to the Board had been progressed further.</p> <p>Decisions/Actions: Prof. Lewis to form a risk sub-group following establishment of the new board</p>
Date of next meeting	<p>15 July 2020.</p> <p>Ms Urquhart enquired if there was a plan to create a more inspiring leaflet for the new college. It was noted that had been delayed due to Covid-19 and was still to be explored by Mr Howell and Ms Doughton.</p> <p>The meeting concluded at 6.23pm.</p>

END

Minute Ref	Decision / Action	Update / Progress
Risk Register PB2020-16	Prof. Lewis to form a risk sub-group following establishment of the new board	