

## Transition Board – Shetland Merger Project

<b>Committee</b>	Transition Board – Shetland Merger Project
<b>Subject</b>	SFC Phase 1 review and UHI alignment
<b>Action requested</b>	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<b>Brief summary of the paper</b>	<p>Reports of the SFC Phase 1 review are included for the board's information as TB2020-25 Review of Coherent Provision and Sustainability Phase 1 Report and TB2020-25 UHI RSB Review Report.</p> <p>As part of the UHI change programme closer alignment is being explored to enable us to work more efficiently and effectively for our local communities. This has included discussions between the Principals and Chairs of the seven smaller colleges which has led to us seeking funding for an options appraisal.</p>
<b>Resource implications</b> [if yes, please provide detail]	<p>No</p> <p><a href="#">Click here to enter text.</a></p>
<b>Risk implications</b> [if yes, please provide detail]	No
<b>Date paper prepared</b>	10-Nov-20
<b>Date of committee meeting</b>	18-Nov-20
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<b>Equality and diversity</b>	No
<b>Status</b>	Non-confidential
<b>Freedom of Information</b> Can this paper be included in 'open' business?*	Yes
<b>Status following the meeting</b>	

**Context**

The Scottish Funding Council is undertaking a wide ranging review considering the future of tertiary education, skills, research and innovation delivered through colleges and universities in Scotland. Following a rapid initial engagement it has published a report (TB2020-25 Review of Coherent Provision and Sustainability Phase 1 Report) which sets out its findings from a wide range of contributors (including UHI). The report also considers the Regional Strategic bodies (RSBs) and a separate report has been produced for UHI as an RSB (TB2020-25 UHI RSB Review Report). The report sets out ten key themes and areas of focus for phase two which will run to February 2021.

**The board is asked to note the reports and the context that is laid out for the tertiary sector and UHI. The board is asked to consider if it would like to make an individual response in Phase 2 or whether our preference is to contribute via UHI (as we did for Phase 1).**

**Alignment discussions**

UHI is engaged in a change programme to help everyone work more effectively together. Alongside this there have been discussions between a number of different academic partners regarding ways in which they could become more closely aligned. Following consultation with the Funding Council and Scottish Government, who strongly encouraged these discussions, it was agreed that, at a meeting of all academic partner principals and chairs on 22nd October, partners would submit any proposals on alignment they wished to be considered as part of a potential options appraisal exercise. A single proposal was tabled at that meeting, which was submitted by the 7 small, rural and island colleges: Lews Castle College, Argyll College UHI, West Highland College UHI, North Highland College UHI, Orkney College UHI, NAFC Marine Centre and Shetland College UHI. The 7 colleges feel that we share a common operating context and size and would realise a number of benefits from closer alignment – retaining local provision, sustaining what we currently do but working together to do more.

In this proposal, an options appraisal, which will be carried out by an independent external consultant, will look at the benefits and risks of the following four options:

1. A federated partnership model based on a contractual agreement for sharing of curriculum and identified services, recognising existing collaboration amongst partners for curriculum, services and islands strategy
2. A group structure which delivers benefits of a single corporate body in terms of strategic and financial planning and efficiencies, but retains a local identity, management and governance for each member of the group.
3. A merger model for some or all of the members – creation of a single new corporate entity into which members transfer
4. We do nothing and retain the status quo.

The results of the appraisal will then inform discussion at a strategic level inside each college and between our boards of management as to how things may progress. Nothing has been decided and this appraisal is simply a basis for those discussions. The proposal has been taken to partnership

council and the regional strategic committee, along with a request for funding for the external consultancy resource.

For us in Shetland our current merger process is our priority, however, we will continue to engage in these wider discussions to make sure the new college will be able to benefit from potential future opportunities for our students, staff and our Shetland community.

**The board is asked to note this options appraisal proposal**