

**Transition Board – College Merger**  
**Microsoft Teams**  
**Wednesday 20 January 2021, 4.30pm**

**Present:**

**Board Members**

Davie Sandison Non-Executive Member [*Chair*]  
Jane Lewis Principal Designate  
Glen Gilfillan NAFC staff rep [joined at 5pm]  
Beth Mouat NAFC staff rep  
Andrew Anderson SIC staff rep  
George Wallington SIC staff rep  
Flo Jansen HISA  
Lauren Doughton Non-Executive Member  
Graeme Howell Non-Executive Member  
John Goodlad Non-Executive Member  
Karen Hall Non-Executive Member

**Apologies**

Willie Shannon Principal, NAFC Marine Centre UHI

**Observers**

Christine Ferguson SIC Director of Corporate Services  
Peter Campbell Chair, Shetland College UHI  
Irene Hambleton Chair, NAFC Marine Centre UHI

**In attendance**

Brendan Hall Business Development and Projects Officer  
Jamie Manson SIC Executive Manager, Finance

**Board Support**

Fiona Larg UHI  
Sharon Drysdale SFC  
Jacqui Birnie SIC [Minutes]

<b>Minute Ref</b>	<b>Item</b>
<b>Welcome and Apologies</b>	Mr Sandison opened the meeting and welcomed everyone.  Mr Sandison stated that there had been progress with appointments to the Transition Board. There was work to be finalised with PVG checks with Voluntary Action Shetland. Once that was finalised the appointments would be announced.
<b>Minute Transition Board – 16<sup>th</sup> December 2020</b>	Dr Mouat requested that paragraph 3 on page 4 was reworded to reflect that she said that such arrangements would be challenging rather than not possible.

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	<p>Mr Howell requested clarity within that section on which organisation was being spoken about when. Prof. Lewis agreed to do that.</p> <p>The minutes were confirmed, subject to the requested amendments being made.</p>
<b>Matters arising</b>	<p>It was noted the letter to SFTCT had been completed and had been circulated with the agenda for noting (TB2021-1).</p>
<p>To consider a Flexible Apportionment Agreement in respect of LGPS pension arrangements TB2021-2</p>	<p>Prof. Lewis introduced the paper and invited Mr Manson to provide an overview of the admissions process and the flexible apportionment agreement.</p> <p>Mr Manson briefly outlined the process of admission and that the application from Shetland UHI to be admitted as a new employer had been received.</p> <p>Mr Manson explained that at the point staff left the employment of SFTCT and transferred to Shetland UHI that was known as an employer cessation event and those costs would be reflected as a liability (when the previous employer no longer contributes). He explained that is calculated by the pension fund's actuaries and that was most recently calculated at £5.8m but that would be recalculated at the point of cessation.</p> <p>Mr Manson explained the flexible apportionment agreement, which would be between all parties (including Shetland Islands Council who act as the guarantors). He added that whilst Shetland UHI would effectively take on that debt it would be uncrystallised and would reduce as individuals leave or retire. Mr Manson reiterated that the Council would be guarantor against that but only should it be triggered, which would only be the case if Shetland UHI were to cease operations in the future.</p> <p>Mr Manson confirmed that arrangements should be progressed over the next two months, although the flexible apportionment agreement could follow later. He informed the Board that the flexible apportionment agreement would require approval of all parties and that would be sent to the board when required.</p> <p>Mr Gilfillan enquired why there was no cessation cost for SIC staff. Mr Manson responded that the Council were a scheduled body and that as such the Council were obliged to cover all those costs regardless.</p> <p>Mr Wallington enquired why there had been an increase from 2018 for the project cessation cost. Mr Manson explained that 2020 had been a good year for asset valuations and that the fund, which takes percentage contributions, then reinvests the funds in order to grow the investments.</p> <p>Mr Anderson enquired if there was progress for the SPPA pension for lecturers. Prof. Lewis provided assurance that was being looked into and that information on admission requirements was being sought.</p>

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	<p>Mr Sandison thanked Mr Manson for his time. [Mr Manson left the meeting].</p> <p>Prof. Lewis said that when the next papers for the pensions were in place that she would ask the Finance and General Purposes Committee (FGPC) to consider prior to the Transition Board. Mr Howell, Chair of the FGPC, agreed.</p> <p><b>Decisions/Actions:</b> FGPC to consider future pension papers prior to the Transition Board.</p>
<p><b>To consider refreshed brand design</b> TB2021-30</p>	<p>Dr Hall introduced the paper. It was noted that the designs had been updated to reflect feedback. Dr Hall outlined the changes and said it would be helpful to concentrate on the visual concept but to also have discussion on the wording.</p> <p>A lengthy discussion followed. The following main points were noted:</p> <ul style="list-style-type: none"> <li>○ Some members felt concept one which gave a sense of aspiration</li> <li>○ Others preferred concept three for a variety of reasons including that it was seen as being more in keeping with the UHI</li> </ul> <p>Mr Wallington had undertaken a mini staff consultation on the latest designs. Staff communicated the need to have a decision on this. He added that from the 21 whom responded the majority preferred option 3.</p> <p>The wording on the logo was then discussed. The need to align with the UHI branding and not having UHI following Shetland in the logo was felt to be the most appropriate way forward. However, there would have to be clarity on naming conventions on other printed materials and online/social media presences to ensure the name 'Shetland UHI' was always clear.</p> <p><b>Decisions/Actions:</b> Concept 3 to progress to the next stage with just 'Shetland' in the logo.</p>
<p><b>Update - Merger Working Group</b> TB2021-4</p>	<p>Before asking Dr Hall to introduce the paper, Mr Sandison said he would be keen to hear from members whether the information contained within the report was sufficient at the stage of transition towards merger. The consensus was the level of detail was fine. If additional information were required it was suggested that Chairs of sub-committees would request it.</p> <p>Dr Hall said there had been progress made with opening the bank account with Clydesdale Bank.</p> <p>Dr Hall outlined progress on workstreams including ICT and student support. He added that key areas to progress included academic and admin. It was noted that FE/HE and vocational would be worked on separately as their administration is different.</p>
<p><b>Update – SFC engagement and timeline</b></p>	<p>Ms Drysdale apologised for the delay with sending the paper on engagement. There had been IT issues but she would ensure that was forwarded so it could be circulated to the board in advance of the next</p>

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<p>TB2021-5 - will follow due to SFC ICT issues</p>	<p>meeting. Prof. Lewis asked if that could be done to enable a response paper from the Transition Board to be agreed at the February meeting. Ms Drysdale agreed.</p> <p><b>Decisions/Actions:</b> Ms Drysdale to send the SFC Engagement Report to Prof. Lewis for circulation to the board.</p> <p>Ms Drysdale confirmed that the transformational funding bid had been approved and would be signed off later that week. That would be up to £274,374 plus legal fees.</p> <p>Ms Drysdale then outlined key dates for the board's information, as follows:</p> <ul style="list-style-type: none"> <li>○ 28/01/21 – receive Scottish Government budget plan for next year</li> <li>○ 04/02/21 – SFC board meeting. Agenda will include paper on the MMBC with SFC recommendations. That would then go the Scottish Government for consideration. The budget being confirmed before is helpful in that regard.</li> </ul> <p>Ms Drysdale confirmed no date for vesting is agreed yet. She also confirmed that there is no Scottish Government stakeholder consultation required. There would be consultation in order for Shetland UHI to be assigned to the UHI and that could only happen after vesting. She confirmed that the July date is still suitable.</p> <p>Ms Larg said that a lot of the checklist for becoming assigned was already being worked towards and included, for example, the committees the Transition Board had established. Ms Larg said that UHI were confident that process could happen with requirements met by Shetland UHI within 6 months of vesting. Ms Larg confirmed that FE credit income agreement would be established with another UHI partner till Shetland UHI was assigned. Ms Larg added that process outlined was a well-trodden path for the University and there were no difficulties anticipated.</p>
<p><b>Update from Partnership Council</b> TB2021 – 6 Had not been received at time of meeting</p>	<p><b>Decisions/Actions:</b> Prof. Lewis to circulate the update to the Board once available.</p>
<p><b>Risk Register</b> TB2021-7</p>	<p>Prof. Lewis introduced the paper and spoke to each risk individually, inviting board members to comment or make enquiries.</p> <p>It was noted that the Anderson Strathern portal was now open which would support secure transfer of information and data from merging parties.</p> <p>Prof. Lewis highlighted her concern on behalf of staff should the July vesting be delayed. There are factors outwith the control of the Transition Board and therefore the risk remains high.</p>

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	<p>Mr Anderson queried whether the impact of Covid-19 on student numbers should be reflected within the Financial Business Case risk. Prof. Lewis said that at this stage that had not been remodelled as they are awaiting feedback from SFC. She added that the Curriculum review would have to take account of the increase blended/online delivery which Prof. Lewis highlighted as a delivery method which costs no less than face to face. Ms Drysdale added that SFC were looking into the differing costs of blended/online delivery and there would be reports shared in due course.</p> <p>Prof. Lewis highlighted that there was excellent progress with stakeholders including local employers. She added regarding student engagement that there were regular meetings with class reps and more frequent communication.</p> <p>Regarding the entry on staff, Mr Anderson queried the wording of loss of high-potential staff. It was noted that there were a number of staff at Shetland College on temporary contracts and that there is a risk of losing staff through the process. It was noted that included losing specialist staff.</p> <p>[18.00 Irene Hambleton left the meeting].</p> <p>Funding concerns following Brexit was highlighted by Prof. Lewis and she added that there could also be lasting impacts on local employment within certain industry sectors.</p> <p>Mr Howell asked if risks could be colour coded to improve the accessibility of the document. It was also suggested that the document is reviewed quarterly but that if a risk has to be increased for any particular change occurring that should be reported.</p> <p><b>Decisions/Actions:</b> Prof. Lewis to update risks as indicated through the discussion. Revised format to be developed for presentation to the Board for April review.</p>
<p><b>Any other Business</b></p>	<p>None.</p>
<p><b>To note Transition Board Schedule and date of next meeting 17<sup>th</sup> February 2021</b> TB2020-36</p>	<p>The schedule was noted and it was confirm the next meeting of the Finance and General Purposes Committee would be moved to early March.</p> <p>Prof. Lewis highlighted that the board development sessions outlined would only partly proceed, as the 2<sup>nd</sup> part of the planned sessions had not been funded by SFC. Therefore session one and two would proceed as outlined. The later sessions would be placed on hold till a later date.</p> <p>The Chair thanked everyone for their contributions to the meeting.</p> <p>The meeting concluded at 6:10pm.</p>

END

<b>Minute Ref</b>	<b>Decision / Action</b>	<b>Update / Progress</b>
TB2021-2	FGPC to consider future pension papers prior to the Transition Board.	
TB2021-30	Concept 3 to progress to the next stage with just 'Shetland' in the logo.	
TB2021-5	Ms Drysdale to send the SFC Engagement Report to Prof. Lewis for circulation to the board.	
TB2021 – 6	Update from Partnership Council to be circulated once available.	
TB2021-7	Prof. Lewis to update risks as indicated through the discussion. Revised format to be developed for presentation to the Board for April review	