

Transition Board – Shetland Merger Project

Committee	Transition Board – Shetland Merger Project
Subject	Letter to SFTCT
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Brief summary of the paper	Following on from December TB meeting a letter was sent to SFTCT as indicated in TB minute. Text of the letter is here for note.
Resource implications [if yes, please provide detail]	No Click here to enter text.
Risk implications [if yes, please provide detail]	No
Date paper prepared	11-Jan-21
Date of committee meeting	20-Jan-21
Author	Jane Lewis
Equality and diversity	No
Status	Non-confidential
Freedom of Information Can this paper be included in 'open' business?*	Yes
Status following the meeting	

Mr D. Sandison
Chair, Transition Board,
Shetland UHI
Gremista
Lerwick
Shetland, ZE1 0PX

Tel 07801792830

18th December 2020

Dear Irene,

Many thanks for your letter of December 3rd outlining the Board of Trustees of SFTCT thoughts on the merger process and their support for making this a collaborative and timely process.

Your letter and previous observations have been included in a paper presented to the Transition Board on the 16th December which is appended here (TB2020-31 Update on next steps to merger). Thank you for confirming some of the steps towards merger in your paper which echo those provided in TB2020-10, a paper subsequently presented to the SFTCT trustees on the 15th September and also included in Table 1 within the TB2020-31.

We are sympathetic to the responsibilities of the Trustees of the SFTCT and we are clear that Shetland UHI needs to have a range of things in place to be a competent body to receive staff. I hope the further paper appended here (TB2020-34 Update from merger working group) provides some comfort that we are working to achieve these things and makes clear where we are reliant on external parties for completion. However, we are not waiting for these things to be complete before progressing further areas of work, in parallel, to ensure timely completion of the whole.

We are very grateful for the subsequent email we have received from Mr Shannon setting out sequencing and timing of a more detailed series of steps which is really helpful in making sure everyone is sighted on what needs to happen in order to deliver a successful merger. We will discuss these steps at the next merger working group on 12th January 2021.

We are, however, concerned about the pace of communications and discussions between all the parties. It is vital that participants in committees and merger discussions take messages and papers out to their networks and committees to facilitate ongoing development, resolution and completion of activities. Reflecting on this, it would be helpful to have a committee calendar for NAFC to facilitate timing of discussions. Jane and Brendan are happy to be invited to attend key committees to update or discuss particular matters and we are providing updates at staff team meetings on request, as outlined in the Transition Board paper. Brendan is facilitating workstream activities to develop joint working on future process and procedures.

The phased approach has been under discussion since the 15th of July (PB2020-18). We sense from the discussions at the Transition Board that this is no longer an approach the trustees are comfortable with – we would be interested in understanding the alternative that is envisaged so we can revisit our plans and ensure we are focussing effort on the best way forward.

A further matter that has been raised is the availability of funds to Shetland UHI at the point of transfer of NAFC. In preparing the transfer agreement we would aim to have a seamless transfer of commitments and we have assurances that both UHI and SIC will support transfer of funds for those commitments to the new college. The other funding streams being sought are transformational funding from SFC which we hope to hear about in the new year and obviously the funding associated with the MMBC. For the period to vesting we have assurance from SIC for the provision of stability funding to maintain activities if it is required.

We appreciate that the SMT of NAFC would prefer the establishment of the second tier of management in advance of transfer of staff to the new college. Given that we are operating a phoenix model, as Shetland UHI, we have quite clear advice that we cannot do this, in a way that is equitable for all staff, as we have no authority for staff in their existing organisations. HR professional advice is included in the paper (TB2020-31 Update on next steps to merger) under the heading HR considerations. Thank you for providing a link to the Audit Scotland Report, we note this refers to public sector body amalgamations which are far from the

situation we are dealing with here. However, we are mindful that strong leadership is key to successful completion of any merger and we look to the joint leadership of the existing organisations to come together to provide this alongside the leadership and guidance of the Principal Designate and the Transition Board.

We recognise that staff capacity is an issue across all of the organisations that are merging. We have funding to support elements of this activity and, as mentioned above, further funding has been requested. Areas where funding is required to support additional capacity should be highlighted to Jane and can be invoiced for from our transformational funding.

In creating a new College for Shetland, we look forward to building our operation with all of the staff of the three organisations that we are bringing together. We are aware of the extensive experience of staff in NAFC of running an independent College and their experience and knowledge will form a key part of developing a successful new College for Shetland and continuing the NAFC story into the future.

Yours sincerely,



Davie Sandison
Chair, Transition Board



Jane Lewis
Principal Designate and CEO

Cc Mr Willie Shannon

Attached: TB2020-31 Update on next steps to merger
Attached TB2020-34 Update from merger working group