

## Transition Board – Shetland Merger Project

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| <b>Committee</b>   | Transition Board – Shetland Merger Project  |
| <b>Subject</b>   | SFC engagement report   |
| <b>Action requested</b>  | <input type="checkbox"/> For information only<br><input checked="" type="checkbox"/> For discussion<br><input type="checkbox"/> For recommendation<br><input type="checkbox"/> For approval |
| <b>Brief summary of the paper</b>  | SFC engagement report is provided. The Board is invited to review the document and comment.   |
| <b>Resource implications</b><br>[if yes, please provide detail]                  | No<br><a href="#">Click here to enter text.</a>   |
| <b>Risk implications</b><br>[if yes, please provide detail]                      | No  |
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| <b>Status</b>  | Non-confidential  |
| <b>Freedom of Information</b><br>Can this paper be included in 'open' business?* | Yes   |
| <b>Status following the meeting</b>  |   |

**Merger of Shetland College UHI, NAFC and Train Shetland: Report on SFC Meetings with Staff, Students, Board and UHI****Introduction**

In accordance with SFC's guidance on College mergers once the merging partners have signed off the merger proposal and business case SFC will meet with Board members, senior management, staff and students to discuss the business case and merger proposal.

Due to the COVID-19 restrictions on travel a series of online meetings was arranged between 30 September and 8 October 2020.

The following notes are a summary of the discussions with each group and sets out SFC recommendations to the Board.

**Board Members**

Our meeting with Board members provided the opportunity for the Board to socialise the aspirations for the new college, the benefits it will bring to Shetland and the challenges that remain in delivering the merger. We heard that:

- The new college will encompass the providers of tertiary education and training in Shetland in one entity which will benefit learners, staff, the local community, and employers. It will be central to the Shetland Partnerships vision for economic prosperity and provide cohesion in meeting the education and skills needs of Shetland.
- The new entity will allow a more straightforward relationship with the wider world; at the moment it is complicated. The merger will streamline and improve the relationship with the local authority, local employers, the local community and with the UHI partnership.
- It is acknowledged that the focus on the merger has led to an inward focus and opportunities may have been missed during this time. The merger builds on the strengths of the merging partners and will ensure an integrated and coordinated approach when seeking opportunities for growth and investment.
- The single entity will have significant benefits for students. The merger will enhance the quality of the student experience; provide clearer and joined up learner journeys making coherent pathways for young people and people wanting to access education; increase opportunities and subject choice; and strengthen the learner voice through one student body and representation at Board level.
- It is intended that the new college will be assigned to the University of the Highlands and Islands (UHI) bringing greater opportunities for staff, learners, and research. One entity will strengthen the Shetland voice within the UHI partnership.
- The challenge of providing financial sustainability should not be underestimated. The COVID-19 pandemic has increased the challenges.

**Senior Staff from Shetland College UHI, NAFC and Shetland Island Council**

Senior staff across all organisations were clear that the merger would bring benefits for learners, apprentices, staff, employers and the wider Shetland community. There was a feeling that "merger blight" has meant that things have stagnated in the Isles in terms of the tertiary sector. The merger brings with it the opportunity to change, innovate and do things differently.

- The group highlighted a number of the opportunities that the new college is better placed as a single entity to play a key role including research opportunities, the Islands Deal and the

outcomes set out in the Shetland Partnership. The new college will be critical in providing the skills, education and research to support Shetland.

- The perception was that the prolonged merger process has had a detrimental effect on curriculum provision and that it no longer meets the needs of the community and learners in Shetland. It is believed that the merger will provide the best possible opportunities for learners and will support the Shetland community in terms of sustainability and growth.
- The leadership and structure of the new college will provide greater flexibility to embrace future opportunities. There are opportunities to drive innovation and research, to develop programmes and to encourage post-graduate students to come and work in Shetland.
- The one stop shop for tertiary provision for the Shetland Isles will provide a better student experience by improving communication, increasing subject choices, clarifying learning pathways and increasing the student voice.
- Communication about the merger process has improved over the last year and staff are feeling more engaged about the process.
- There is more unanimity of purpose than there was a year ago. Excited that we are moving in the same direction and everyone is pulling together.

The group identified the following key challenges for the new college.

- Providing financial sustainability for the new college to enable growth and realise the opportunities is critical.
- The Phoenix Model agreed by the merging partners has been challenging as it is complex and there are no similar models to provide guidance.
- The group recognised the challenges of merging the different cultures of each organisation however felt that this is not an insurmountable challenge.
- Maintaining the brand identity of each organisation will present a challenge to the new college to ensure customers, students and collaborators worldwide recognise the strengths of the merged college.

## **Staff**

SFC met with 13 teaching and non-teaching staff and trade union representatives from both Colleges across two occasions and heard both support for and also concerns about the merger. However the overarching message from staff was that they are keen to see the merger concluded to enable them to focus on building the new college. We heard that:

- Staff across all partner organisations are experiencing merger fatigue. They want to complete the merger and move forward positively with teaching and research.
- One of the biggest advantages to completing the merger is that the focus can return to teaching.
- Staff members highlighted benefits of merger including alignment of policy and communications; shared marketing; sustainability and viability of Shetland College and NAFC; a single point of entry for students; a unified prospectus, web presence and a single point for marketing.
- There is a perception that all three organisations have been rudderless as a consequence of the merger process with the attention taken away from the real job such as the development of new courses and a new strategy for Shetland. The merger will refocus the objectives of the college.
- There is a belief that the organisations complement each other – different cultures but the end goal is the same.

- There is no overlap of provision and staff can see advantages in integrating the activities of the 2 colleges.

We also heard concerns about the merger relating to:

- Potential change in employee's terms and conditions and pensions with a change in governance and employer.
- The uncertainty of moving to a new organisation and what that involves.
- The restructure and what it will mean for staff.
- Structure of the new college – lack of structure following vesting has led to staff uncertainty. Further clarity on the management, admin and teaching structures of the new institution will alleviate concerns.
- Train Scotland staff are uncertain of their location in the new college. The fact that the Train Scotland building wasn't picked as being part of the new entity's estate was a blow to staff morale.
- Financial sustainability and challenging income assumptions within the business case.
- Staff involvement in the merger process has been limited over the lockdown/Covid period.
- A perception by one participant that the main concerns of staff are whether the institution will be incorporated or non-incorporated and the potential of the introduction of trainer instructor posts.

## **Students**

SFC met with a group of 10 students including the HISA President and HISA Shetland Depute. The majority of the students were from Shetland College, UHI.

A number of the students present felt ill-informed about the merger and stated there had been little engagement with the student population. Despite this the questions and points raised demonstrated that there had been a level of information provided. Comments made included:

- It was difficult to understand the merger process as it seems very complicated in terms of incorporated and non-incorporated status and there is a lot of information to digest. Would be good to have a clear explanation of incorporated versus non-incorporated.
- There was a number of comments regarding the private status of the new college and the effect this would have on students, number and type of courses available, student support including childcare and travel,
- The new college may be geared towards profit and businesses rather than providing a large range of courses.
- Students were concerned about the effect of the merger on their lecturers and the time they will get with them and the quality of the courses.
- Students felt that they needed more information regarding ownership of the new college and asked if they would have a vote for whether the merger should go ahead.
- They were aware of the concerns about the financial sustainability of both Shetland College and NAFC and understand that they would not do well without a merger. More investment to student facing services and the student experience would be good.
- On balance a few felt the benefits of the merger outweighed the possible risks. Believed there will be a better learning outcome.

In response to the students questions regarding incorporation and non-incorporation and the privatisation of the new college SFC informed the students that the new college will be a charitable

organisation, not run for profit with the aim to improve the student experience and learning at all levels.

### **Conclusion**

The meetings were positive and provided helpful reflection on the merger process, aspirations for the new college and the challenges still to be faced. The overall feedback is that the merger is viewed as a positive way forward for the learners, staff, employers and the Shetland community. There remain a number of challenges to overcome including the financial sustainability of the new college and staffing structures however SFC is confident that the Board are making progress to a vesting date of 1st August 2021.

We would recommend that:

- There is increased and sustained interaction with students to ensure they are aware of the reasons for merging, the vision for the new college and the impact that the new college will have on the learner;
- Train Shetland staff are advised of their location within the new college as soon as reasonably possible; and that
- There continues to be engagement with all staff across all merging partners.

### **Next Steps**

This report will be included as an annex to SFC's consideration of the Merger Business Case and shared with UHI and Scottish Government.