



Merger of Scottish Agricultural College and land- based FE colleges

The UNISON Scotland submission

May 2012

Introduction

UNISON is Scotland's largest public sector trade union representing over 165,000 members delivering services across Scotland. UNISON members deliver a wide range of services in colleges and universities including advice, research support, IT, finance, learning and student support services, cleaning, administration, libraries, technical and security, porter services and management. These employees are often the face of colleges and universities in Scotland and contribute a great deal on the overall student experience, providing the foundations for high quality learning for all. UNISON Scotland is able to collate and analyse members' experience to provide evidence to inform the policy process. We therefore welcome the opportunity to respond to your request for our views on the proposed merger of Scottish Agricultural College and land-based colleges.

Comments

Funding

UNISON is concerned that proposals for mergers are not based on putting the learner first but are instead driven by the substantial cuts in further education budgets. Scotland's Colleges are already cutting jobs and closing courses and the future funding levels set out by the Scottish Government will lead to more. Funding pressures are leading to a range of colleges mergers. The Scottish Government also appears to be encouraging colleges to go down this route.

We welcomed the Government's recent decision to look at the sector as a whole as the current management structures and merger processes were creating many difficulties. While we are not convinced that regionalisation, as proposed by the Griggs Review, offers the best solution we believe that the current mergers are being rushed nor are they taking account of the findings of reviews of Higher and Further Education. The merger of the Scottish Agricultural College and the land based colleges pulls together HE and FE institutions making it all the more important that governance issues are resolved. Aside from concerns about the narrowing of opportunities for students to study in their local areas our key concerns are job losses and that many of the roles undertaken by our members will be moved into a "big shed" type delivery model. Shared services are still the default option for improved public service delivery despite the lack of evidence that they improve public services or make substantial saving. In fact the experience of most public sector organisations in the UK and internationally is that moving to shared services creates a period of disruption and at best takes five years to make any cost savings.

Centralisation

A key value of college courses is that they can be undertaken close to home. Students have very different needs from the majority of those attending higher education institutions. This cuts down on travel and childcare costs: key barriers to those on low incomes accessing and completing courses. Travelling long distances also adds to childcare costs as children have to be looked after longer. Budget cuts mean that the Scottish Funding Council received £2.8m less than requested for student bursaries. Some young people also lack the confidence to undertake study out with their own areas. Transport links are often poor which

makes it difficult and expensive to travel. There is also the added issue for young men who often face or fear violence when they travel out-with their own communities. Local delivery of courses is crucial to people embarking and finishing their further education and training.

Local delivery also ensures that colleges are able to build links with local schools, businesses and the wider community. It is the local connections which make them best able to develop in a way that responds to the needs of local people.

Despite the Government's ambitions courses are being cut across Scotland including vocational courses like aeronautical and aircraft engineering, computer animation, digital gaming green-keeping, and horticulture. We are concerned that this merger will lead to further cuts. Some colleges are also reducing opening hours at a time when the Roe Report called for longer hours to offer more flexible learning opportunities to help learners combine work and study. There needs to be increased funding to match the increased demands placed on colleges by Government's commitments.

Shared services

UNISON is concerned that the merger proposal is about making savings rather than improving delivery. It is clear that a shared service approach to service delivery still has many advocates despite the lack of evidence of them either bringing improvement or making any savings of the type needed to deal with the current spending cuts. Many non-teaching roles (e.g. librarians, finance staff, those who support student with disabilities and welfare staff) risk being pushed into a "big shed" delivery model. These require face-to-face contact with students.

UNISON Scotland recognises that all public sector organisations should take up opportunities to work more efficiently and effectively. We believe that improved cooperation between public service is essential, but this does not require setting up vast call centres or bringing in the private sector. Sadly these are pushed by private consultants as a way to improve services and save money. They are in fact extremely costly and have high upfront costs. The investment ratio is 2:1. Often costs are pushed to another department. The National Audit Office report indicates that so far projects have taken five years to break even.

Learning from Australian experience:

- Initial costs of shared services are underestimated because implicit costs and externalities are often not included.
- Introduction of shared services is complex and costly and requires detailed research.
- While some cost savings can be achieved, targets are rarely met.
- **Savings are mainly from job losses.**
- There are job losses in regional areas which affect the viability of rural communities

A typical problem has been the underestimation of the costs of this type of project. For example: Bromsgrove District Council and Redditch Borough Council decided to start sharing management functions in June 2008. The promised savings figure that prompted the move was substantially reduced as soon as implementation began and the costs involved began to mount up. So far £250,000 has been saved per council through sharing the management team but this is net

of the £1million pounds it cost in redundancy payments and equalising the pay and conditions across the two councils. It cost £100,000 upgrade and make compatible the IT systems.

Staffing issues

UNISON welcomes the Best Practice for mergers as laid out in Annex K of the Griggs Review. If the merger is to go ahead then management need to follow this guidance. Point 13 states

Ensure motive for merger, values underpinning the merger and clear curriculum benefits are communicated both internally and externally and the quality of leadership and management including timescale and management are reinforced throughout the process.

The Merger Process Document has not yet been agreed by the merging organisations and therefore not available for discussion with staff and trade unions is a matter of concern given the proposed vesting day of 1 August 2012. This is clearly not in keeping with the above statement.

Merging colleges in recent years has been very difficult for the staff concerned. Consultation with staff has been minimal and the key staffing issues have been unresolved long after mergers have been pushed through. If this merger is to go ahead then the staffing issues have to be resolved as part of the change so the new body can focus properly on delivery. The people who deliver services cannot be an afterthought it is they not structures that deliver improvement and increased efficiency. Whilst it is understood that TUPE will apply to the transfer of staff there are longer term staffing issues that require clarification.

- Future staffing structures require to be negotiated at an early stage.
- There is no guarantee of 'no compulsory redundancies' following transfer.
- Pensions: It is our understanding that the new body is seeking admitted body status to LGPS. This is a key issue and must be resolved.
- Procurement: will all staff remain directly employed by the new body?
- What are the results of the Equality Impact Assessment?

The group who are meeting with the trade unions have stated that they do not envisage any redundancies however they are unwilling to give a guarantee that this will be the case. Experience would tell us that any merger such as this will have an impact on staff numbers. There seems to be a commitment to retaining the current sites. However Elmwood College provides courses in non land-based areas such as Hair, Beauty, Care and Special Needs and whilst funding and protection for these areas is in place until 2013 there is uncertainty over provision thereafter. It is difficult therefore to comment on proposals when the proposals are not clear and subject to change.

UNISON is concerned that the process of merging colleges will create pressure for a race to the bottom for the terms and conditions of staff in the new bodies. Merging is also time consuming and focuses the institutions inwardly on structures rather than delivering services. UNISON members in Higher and Further Education feel that management and governance bodies do not engage adequately with staff both on the day to day running of institutions or on organisational improvement and development. We expect that the new institution will retain its HE status, we therefore expect that the new board will have the staff

and union representation recommended in the review of HE governance from the outset. Sadly all that the management team seems to be offering is one staff rep.

The interim board claims this is a merger of four equal partners. Evidence to date does not support this. New Principal and Chairman already appointed from Scottish Agricultural College (SAC), 9 board members out of 15 from SAC. The interim board has only one staff representative. This does not represent adequate staff representation in either the merger process or the ongoing governance of the new body.

Conclusion

UNISON represents a range of staff delivering Further and Higher Education. The cuts in funding leave the sector facing enormous challenges including a range of mergers. We therefore welcome the opportunity to respond to your request for our views on the proposed merger of Scottish Agricultural College and land-based colleges.

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