



# **Merger of Stevenson College Edinburgh, Edinburgh's Telford College and Jewel and Esk College.**

The UNISON Scotland submission

**June 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 Stevenson College Edinburgh, Edinburgh's Telford Colleges and Jewel and Esk College.

## **Comments**

### **Funding**

UNISON is concerned that proposals for mergers are based not on putting the learner first but are driven by the substantial cuts in further education budgets. Scotland's Colleges are already cutting jobs and closing courses. The future funding levels set out by the Scottish Government will lead to even 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. Audit Scotland' report *Learning the Lessons of Public Body Mergers June 2012* shows actual savings have been much lower than predicted when public bodies merge. Since funding has already been cut in further education the failure to meet savings targets will have serious implications for the new college.

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 and are failing taking account of the findings of reviews of Higher and Further Education. 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 reforming public service delivery despite a lack of evidence that this improves 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. FE 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 colleges are able to build links with local schools, businesses and the wider community. It is 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 have been and 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. librarian staff, 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. 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:savings 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.*

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. People who deliver services cannot be an afterthought. It is they not structures who 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 should be a guarantee of 'no compulsory redundancies' following transfer.
- Procurement: will all staff remain directly employed by the new body?
- What are the results of the Equality Impact Assessment?

The group 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 beyond 2014. Experience would tell us that any merger such as this will have an impact on staff numbers. Many staff have already opted for voluntary redundancy because they are concerned that they will lose their jobs anyway. It is difficult to comment existing further on proposals when they 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 Further Education feel that management and governance bodies do not engage adequately with staff either on the day to day running of institutions or on organisational improvement and development. UNISON would hope that the board of the new institution would have improved staff representation. Our hope would be the level of representation proposed for HE institutions with direct union representation for all recognized unions and staff reps for academic and non academic staff.

## **Conclusion**

UNISON represents a range of staff delivering Further Education. The cuts in funding leave the sector facing enormous challenges including a range of mergers. We believe these mergers driven by cuts to funding rather than improving the delivery of further education in our communities. We therefore welcome the opportunity to respond to your request for our views on the proposed merger of Stevenson College Edinburgh, Edinburgh's Telford Colleges and Jewel and Esk College.

For further information, please contact:

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