

**SPARSHOLT COLLEGE HAMPSHIRE**  
**MINUTES OF THE MEETING OF THE**  
**BOARD OF GOVERNORS**  
**held on 2 October 2014 at 9.00 am**

**<sup>1</sup>PRESENT** Mr M Coombes (E); Mr R Fawcett (E); Mrs M Filley (E); Miss E Freshwater-Blizzard (St) (present for 210-254/14); Mrs S Gill (S) (present to 254/14); Mr B Holm (S) (present to 254/14); Mr N Hopkins (E); Mr T Jackson (P); Ms M Kamara-Aspin (E) (present to 245/14); Mr P Lloyd (E); Mrs J Venables (E); Mr S Ward (E); Mr C Wilson (E).

In attendance: Mr S Handford, Executive Director, Finance & Resources (present to 254/14)  
Mr M Simmons, Vice Principal  
Mrs S Simpson, Clerk to the Governors

**LONG SERVICE**

194. The Board acknowledged the long service of Mrs A MacDonald and of Mr I Rashleigh, who would receive his certificate at the December Board meeting.

**APOLOGIES**

195. Apologies for absence were accepted from Dr Palmer.

**DECLARATION OF INTERESTS**

196. **Resolved** – that the staff and student members be required to withdraw from the meeting for the item on senior post holder recruitment.

**MINUTES**

197. **Resolved** – that the minutes of the meeting held on 17 July 2014 (Parts I and II) be confirmed as a correct record and signed by the Chairman.

Land-based Programme Funding (ref. minutes 187/13; 279/13; 363/13; 26/14; 103/14)

198. An announcement had now made on support for land-based programmes. Thanks were expressed to Mr Morgan for putting the case eloquently to Ministers, as well as to the Principal for his determination in pursuing a solution in the interests of the learners.

University of Winchester Halls of Residence (ref. minutes 384/13; 27/14; 104/14)

199. In agreement with the University, the College had retained 54 rooms for 2014-15 and these were filled to capacity. Recruitment to the University had exceeded expectations and they had expressed an interest in withdrawing from the contract completely.

200. **Resolved** – that the options for withdrawal be presented to the Board at a future meeting for discussion, but that any proposal be referenced to the College's Higher Education Strategy and the protection of the College's longer term interests.

Free Meals (ref. minutes 76/14; 106/14)

201. The Principal confirmed that an allocation for 2014-15 had been received and that arrangements had been made with the new caterers to provide a meal option within the price allowed. The allocation of funding according to eligibility was still being processed.

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<sup>1</sup> (E) = External; (P) = Principal; (S) = Staff; (St) = Student

Financial Planning (ref. minute 121/14)

202. The draft internal audit report had been received with no recommendations made. The Clerk had asked the auditors to reconsider the format of the report, and both the report and the result of the query would be considered by the Audit Committee in November.

Farley Nursery (ref. minute 129/14)

203. The UK's first Yurt-based Nursery had now opened on the Sparsholt campus, with some press interest. The Nursery had deliberately started with small numbers and arrangements appeared to be working well. Thanks were expressed to the College's Premises team who had worked exceptionally hard to prepare the site for opening, as well as to the Assistant Principal Commercial and the Executive Director Finance & Resources for their work on the agreement.

Catering (ref. minute 133/14)

204. The contract to outsource catering had been signed on 1 October, although joint-working had been taking place beforehand to ensure a smooth handover. Initial reaction to the change in offer and upgrading of facilities was extremely positive.

Banking Relationships (ref. minute 155/14)

205. The relationship with NatWest continued to be positive. The possible issue of an 'appetite to support' letter had been overtaken by events and no letter of support was now expected. There were no issues with covenants on loans with other banks.

IT Policy (ref. minute 179/14)

206. In answer to a query from the previous meeting, the Principal reported that the College had two 'locked' WiFi networks requiring an access code and one open network. For a number of reasons it was not yet possible to close the open network but as soon as this could be done, the locked networks would be operated so that users would be required to acknowledge understanding of the College's IT Policy as a condition of access.

**CHAIRMAN'S REPORT**

207. The Board had received the Chairman's first report of his tenure and this provided information on activity since the last meeting and planned activity for the coming term. To the list of forthcoming commitments he added that he would be conducting the Clerk's annual performance appraisal in October and explained the rationale for holding a meeting with the Audit and Quality & Standards Committee Chairmen at the beginning of each term.

**STRATEGIC PLAN**

208. The Board had received the report of the Principal providing the fourth and final report on the College's key strategic objectives for the year to 31 July 2014. It was explained that a small amount of data needed to correlate the final outcome was still outstanding but that best estimates had been used to assess whether or not objectives had been achieved. The Board welcomed the extent of achievement detailed within the report and the evident progress made. A number of suggestions were made regarding the format of the report to aid Board members' understanding.

209. A question was asked about whether emphasis on success rates remained an appropriate performance indicator given Ofsted's focus on high grades, progress and value added.

The Vice Principal explained the difficulty of measuring value added for land-based programmes.

210. Discussion took place on the extent of progress with Objective 10, to establish a Regional (Rural) Centre for the Demonstration and Learning of Sustainable, Low Carbon and Renewable Technologies at Sparsholt College. The Principal listed the steps completed to date, including a summary of content of a meeting with Winchester City Council in which the Principal had expressed concern about delays in processing the planning application for the Wind Turbine.
211. The Principal drew to the attention of the Board some adverse comments received from local residents following the circulation by Sparsholt Parish Council of information on wind turbines. It appeared that Parish Councillors did not believe the College had done enough to canvas local views. The Principal outlined the consultation that had taken place and confirmed that the College's planning consultants were satisfied with the consultation process and confident that the College had done more than required under planning rules.
212. A pre-planning submission had been made to Winchester City Council regarding the Anaerobic Digester and no substantial issues had been raised. Board members were concerned about the timescale for development given that the three-year financial plan included assumptions on contributions following completion of the project.
213. **Resolved** – that the views of local residents regarding the Wind Turbine be acknowledged and balanced objectively with the need to proceed in the College's best interests; and that the Principal continue to press Winchester City Council for an early resolution of the planning application.
214. Two objectives had been RAG rated Red but the Principal assured the Board that there was no cause for concern; the rating simply meaning that the objectives could not be achieved in the year, which the Board had already acknowledged. Progress had now been made with upgrading Finance software.
215. A staff governor endorsed the need for the Board to keep at view the objective to implement a sustainable Student Data system. Although staff were aware that work was taking place on stabilisation, inconsistent availability of access to key systems was still causing difficulty in some cases and guidance on when the work was likely to be completed would be appreciated. The Principal emphasised that the IT infrastructure stabilisation had been completed satisfactorily, but that annual milestones 21-24 were about software that could be installed now that the stabilisation work was complete. It was explained that a new Student Data system would be finalised for testing in April 2015 and was expected to be fully operational by 1 August 2015.
216. Regarding Objective 17, a question was asked about whether the College employed specialist EU bid writers and whether accessing joint bids through sector partners was a successful strategy. The Principal explained how the use of expertise in other colleges was optimised and also how the M3 Enterprise LEP was working with regional colleges to build capacity.
217. The commentary to Objective 40 listed commercial training activity that had taken place and a question was asked about whether the implication of this commentary was also that the training activity was profitable, since the objective had been fully achieved and profitability was written into the original wording. The Principal confirmed that financial

analysis indicated that the fee paying course elements listed were profitable, but that the connection with North East China Forestry University had not yet yielded any activity.

## **RISK MANAGEMENT**

218. The Board had received the report of the Principal and the Clerk to the Governors providing the Risk Management Plan 2014-15 for consideration. The Risk Register had been approved by the Board at the previous meeting.
219. Members discussed the scoring of a number of the risks (13, 14 and 24) where the score for likelihood appeared high when taking into account that controls had been applied. The Principal explained the process that the Strategic Leadership Team had undertaken to score the risks but accepted that there would be benefit in revisiting the scoring having heard the Board's comments.
220. The Board emphasised that the scoring should reflect reality as far as possible. It was suggested that the number of risks be reduced to focus on key strategic issues and that the reporting system be amended to identify direction of travel. A number of suggestions were made for improvement and the matter would be taken up by the Audit Committee for further discussion.
221. Risk 4 (Low staff morale prevents achievement of priority 1) was noted in connection with the finance paper later on the agenda.
222. A member reassured the Board that a recent link visit had provided evidence that Work-based Learning and Associate activity were well-monitored. However, she believed that there were limited early warning systems in terms of learner feedback in comparison with college-based students.
223. **Resolved** – that the Risk Management Plan for 2014-15 be approved.

## **SELF-ASSESSMENT REPORT (SAR)**

224. The Vice-Principal gave a presentation on early SAR indicators for 2013-14 including estimated retention, achievement and success rates (plus five year trends), curriculum area grades and areas already identified for improvement. The Quality & Standards Committee would review the SAR in more detail, and would monitor the impact of the new Faculty management structure.
225. A Board member had attended an internal SAR review meeting with Heads of Faculties and commended the openness and honesty of the leadership and management team to declare weaknesses. An excellent attitude to improvement had been evident in all the curriculum areas represented and peer challenge had been welcomed.
226. It was noted that there was no commentary at this stage on value added or progress made and a question was asked about the point at which the Board could be reassured that progress is being made as expected. The Vice Principal explained the measures currently in use and the extent to which these are suitable indicators for land-based programmes. A suggestion was made, to be followed up by the Quality & Standards Committee, that the College might produce internal predictors based on College data-sets.

## **FINANCIAL PLANNING AND HIGHER EDUCATION FEES**

227. The Board had received the report of the Executive Director Finance & Resources and the Principal reviewing the three-year financial forecast for 2014-17 with specific reference to changes announced by the Government for large programme weighting, actual learner

enrolments in September 2014, and potential grant/loan allocations for capital developments. The report included a recommendation on HE fees from 2015-16. The College Healthcheck report 2014-08 had also been received with the papers for this meeting and both reports were considered together.

228. The Principal gave a verbal update on the latest enrolment figures for 16-18, the combined total for both campuses being +180 against the previous academic year (growth of 100 at each campus had been assumed in the financial plan). The final total from which the 16-18 allocation for 2015-16 would be calculated would not be set until the six-week cut-off date, but numbers of early withdrawals appeared to be low, meaning that the current level of growth appeared secure at this point. Other colleges were reporting a collapse in 16-18 enrolments and therefore this level of growth was welcomed.
229. The majority of growth had occurred at Andover College and the Board supported the student governor's request that College management be aware of the need to keep an eye on the corresponding level of demand for support services.
230. A question was asked about the pattern of full-/part-time enrolments. The Principal reported that it was now very difficult to recruit 16-18 part-time students and also explained that the College management team had tightened up on the accuracy of enrolments so that there was little inadvertent registering of students as part-time which had happened in previous years.
231. The extent to which the College was able to see the context of enrolment within relevant demographics was discussed. The Vice Principal assured the Board that College management had access to feeder school data, particularly for Andover where there appeared to be less volatility than in the rest of Hampshire.
232. It was noted that learner enrolments in Game & Wildlife were disappointing; it was believed this was due to increased competition.
233. The College Healthcheck Report had referred to a Skills Funding Agency visit to the College in October to discuss the three-year Financial Plan and a question was asked about the significance of the visit. The Executive Director Finance & Resources did not believe there would be consequences as a result of the visit.
234. The Principal verbally reported on a better picture for HE fees than had been presented in the College Healthcheck Report. The current position indicated a shortfall of circa £30,000-46,000 in the HE fees budget for 2014-15.
235. In the Financial Plan approved by the Board in July an allowance had been made for a general 1% pay increase for staff in 2015-16 but this was no longer considered to be affordable. A lengthy discussion took place on the difficulty of motivating staff to attain higher levels of achievement whilst being unable to reward due to the need to ensure the continued viability of the College. Remuneration levels in related employment markets were discussed alongside a number of potential options other than a general pay increase.
236. The Board welcomed the Government announcement on large programme weighting for funding from 2016-17 but asked whether this could be at risk following a General Election. The Principal believed the overall funding rate may be at risk, but that the large programme weighting was not. An announcement was expected in October regarding parity of payment.

237. With regard to the recommendation on Higher Education fees, the Board asked how costings were calculated and whether margin was built into fee structures. The Vice Principal explained that HE fees were based on benchmarking rather than precise contribution calculations, although College management was working on a method of identifying course contributions across the whole curriculum. He was confident, however, that HE courses did produce a margin for the College.
238. **Resolved** – that revised Higher Education Student Tuition Fees for UK/EU Undergraduates be increased to £8,600/Annum, International Undergraduate Fees to £9,800 and International Postgraduate Fees to £10,400 with effect from 2015-16.
239. **Resolved** – that to make a staff pay award to a few would be divisive and therefore the general pay increase for staff in 2015-16 be removed from the financial plan, with continued regular review by the Resources Committee, but that members would wish to reward all staff through a general pay increase as soon as possible.
240. **Resolved** – that the revised three year financial forecast be approved as presented but that the budget for 2014-15 be reforecast for approval in December 2014, with the overall aim of not worsening the projected deficit from its current level.

### **PROPERTY STRATEGY**

241. The Board had received the report of the Principal providing an update on the progress of existing capital projects, recommending approval of the progression of the Andover College Technology and Skills Centre project to the next stage and recommending approval of the revised Property Strategy.
242. Capacity to cope with growth at Andover College was discussed, particularly with reference to possible temporary solutions until completion of the Technology and Skills Centre. Portway Stadium offered space for teaching and was not yet at maximum capacity.
243. A governor spoke in favour of looking ahead at capacity on the Sparsholt College site for the growing Equine and Agriculture curriculum areas, perhaps easing potential pressure by looking for offsite agricultural land for rental. He believed this to be essential in order to maintain quality of student experience in these curriculum areas which are increasing the number of enrolments.
244. Whilst the detail of the Property Strategy was commended, the Board welcomed the news that the document was to be recast and emphasised the importance of having a long-term view. The Principal confirmed that the College no longer had an overall site master plan, although the now out-dated Campus Appraisal and Development Strategy for Sparsholt College still applied to a certain extent. He believed that such a document was no longer necessary as the College maintains a constructive ongoing dialogue with the local planning officers.
245. Since writing the report, the Principal had been asked by the M3 Enterprise LEP to submit further details on the bid for capital support on the Environmental Sustainability Centre at Sparsholt College that had previously been rejected [a component of the planned 'Regional Centre for the Demonstration and Learning of Sustainable, Low Carbon and Renewable Technologies']. He outlined the conversation that had taken place and recommended that the College pursue the bid as requested, with further detail to be considered by the Resources Committee in order to meet submission deadlines.

246. A question was asked about affordability of the Andover College Technology and Skills Centre should an option for grant/loan support not be forthcoming. It was explained that costs of a long-term commercial loan were already included in the College's Financial Plan so there would be no worsening of the College's financial position in the event that this option was not available.
247. **Resolved** – that
- 247 (1) the revised Property Strategy be approved as presented;
  - 247 (2) the Andover College Technology and Skills Centre project be progressed to Stage 2 of the 'Concept, Design, Planning & Tendering phase' defined in Appendix H of the College's Financial Regulations;
  - 247 (3) a College contribution of up to £1.24 million (to be secured by long-term commercial loan as included in the current 3 year financial plan) to the Andover Skills and Technology Centre budget of £3.88 million be approved, noting that the College contribution will be reduced dependent upon the current application submitted for grant funding of up to £500,000 and a low or 0% interest three-year loan for up to £740,000; and that
  - 247 (4) authority be delegated to the Resources Committee to consider and approve a submission to the Enterprise M3 LEP for capital support for the Environmental Sustainability Centre at Sparsholt College.

#### **SAFEGUARDING**

248. The Board had received the annual Safeguarding Report of the Vice Principal, providing an update on the safeguarding issues affecting the College in the Academic Year 2013-14 and proposing minor amendment of the Safeguarding Learners Policy.
249. The revised policy wording used the definition of Safeguarding used in the Children Act 2004 and the DCSF (now DfE) guidance document 'Working together to Safeguard Children'. Members thought the definition should be specifically referenced to indicate that the College's responsibilities extended beyond the age of 18 and included vulnerable adults.
250. A question was asked about the current situation regarding security at Andover College. The Principal confirmed that it remained the intention to improve security through planned capital developments, but that short-term action had been taken in the meantime. No concerns had been raised during the recent Ofsted inspection and College managers continued to monitor control of visitors.
251. **Resolved** – that the Safeguarding Learners Policy be reconfirmed as presented, subject to referencing of the Safeguarding definition to include vulnerable adults.

#### **GOVERNANCE REVIEW**

252. The Board had received the report of the Clerk on progress with the Governance Review and subsequent recommendations.
253. The Board discussed the proposal to introduce a new Employer & Community Committee to the Board structure, removing Governance & Search Committee and reallocating its business. Members were generally in agreement that the proposal warranted further investigation as a means of making a shift towards a better understanding of the interface between employers, employment and the College's curriculum, although

concerns were voiced about the potential to increase overheads without necessarily increasing impact.

**254. Resolved – that**

254 (1) the Governance & Search Committee should continue to develop a constitution, terms of reference and a plan of business for the Employer & Community Committee, ensuring that these do not overlap with those of the Quality & Standards Committee and are appropriate to the strategic responsibilities of the Board; and that

254 (2) the link governor scheme and College Healthcheck Report continue as planned for the time being, with a view to testing the new arrangements for link visits and consulting the Board again on the effectiveness of these two elements in the next annual self-assessment survey.

*Staff and student members left the meeting, together with the Executive Director Finance & Resources.*

**SENIOR POSTHOLDER RECRUITMENT**

255. The Board had received the report of the Clerk making recommendations to the Board regarding the vacancy created by the retirement of a senior postholder. A discussion took place on the purpose of designating of senior postholders and the management of the Board/Senior Management relationship.

**256. Resolved – that**

256 (1) a selection panel be appointed, consisting of the Principal, Chairman, Chairman of the Audit Committee and Dr Palmer (or another external Board member if not available), to be assisted by Ms Shaw (co-opted member of the Resources Committee);

256 (2) if, as a result of discussion of terms and conditions of the post for advertisement, the panel decides that there should be a change in the designation of senior posts or that the post to be advertised should be materially different from that in the present structure, the panel should return to the Board with a recommendation prior to proceeding to advertisement; or

256 (3) if there is to be no substantial variation in the post, to delegate authority to the panel to proceed to selection of a candidate for recommendation to the Board for appointment to the designated senior post of Executive Director Finance & Resources.

257. The meeting closed at 1.00 pm.

