

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF GOVERNORS
held on 5 December 2014 at 6.00 pm

¹PRESENT Mr M Coombes (E); Mrs M Filley (E); Mr N Hopkins OBE (E); Mr T Jackson (P); Mr P Lloyd (E); Dr R Palmer (E); Mrs J Venables (E); Mr C Wilson (E).

In attendance: Mr S Handford, Executive Director, Finance & Resources
Mrs S Simpson, Clerk to the Governors

APOLOGIES

259. Apologies for absence were accepted from Mr R Fawcett, Miss E Freshwater-Blizzard, Mrs S Gill, Mr B Holm, Mr S Morgan and Mr S Ward.

DECLARATION OF INTERESTS

260. There were no interests to declare in matters to be discussed at this meeting.

APPOINTMENT OF DIRECTOR OF FINANCE

261. This part of the meeting was recorded as confidential.

OCTOBER MANAGEMENT ACCOUNTS

262. The Board had received the October management accounts and commentary, dated 28 November 2014. It had been decided to consider these at this meeting rather than as an additional Resources Committee matter as so many of the Board were gathered for the previous agenda item.

263. The Executive Director, Finance & Resources highlighted the main points of note in the accounts commentary and confirmed that the Skills Funding Agency had accepted the revised three-year financial forecast as showing 'satisfactory' financial health in all three years of the plan. He also reported that Test Valley Borough Council (TVBC) had confirmed early payment of their element of the loans/grant package offered jointly with Hampshire County Council (HCC). The HCC element would be matched against spend on the Andover Skills Centre project and therefore the timing of those payments (assuming the arrangement is confirmed on 12 December 2014) necessitated borrowing to support the College's cash flow in the intervening period.

264. A verbal report was given on the outcome of discussions with the College's bankers, NatWest, but also with Barclays and Lloyds banks who were prepared to support the College if necessary, subject to transfer of all College banking requirements. NatWest had confirmed willingness to provide an overdraft based on the revised cash flow calculations provided to this meeting.

265. The Principal had received a response from the Skills Funding Agency that the appeal against clawback of Adult Skills Budget funding for 2013-14 had not been upheld. The figure now quoted for clawback was greater than that originally stated and further calculation was needed to establish the exact amount. This may result in an adjustment to the draft year-end accounts for 2013-14 circulated to Board members for the meeting on 11 December 2014.

¹ (E) = External; (P) = Principal; (S) = Staff; (St) = Student

266. The Board discussed potential risks associated with the financing options being pursued and the possible impact on the Andover Skills Centre project, including the extent to which:
- a) there was any certainty of receiving the HCC loan/grant; and
 - b) the General Election in May 2015 might bring about changes in funding rates, previously announced funding for land-based programmes or structural changes in local government funding routes.
267. The Principal assured the Board that the College could postpone the Andover Skills Centre project should any element of the planned funding solution not come to fruition. The Board acknowledged that a General Election and future austerity measures might change the funding landscape but believed that the College should continue to proceed, taking into account known risks and options for managing those risks.
268. The Board requested that a firm recommendation on options for short-term financing be made to the meeting of the Board of Governors at the meeting on 11 December 2014, with supporting information to include:
- a) an updated cashflow forecast;
 - b) confirmation of known loan/grant details, including terms for the overdraft facility offered by NatWest;
 - c) a copy of the proposal put forward for consideration by HCC (if available);
 - d) confirmation of the level of certainty that can be placed on receiving the HCC loan/grant combination should the HCC Decision Day decide in favour of the proposal.
269. The meeting closed at 7.05 pm.