

**SPARSHOLT COLLEGE HAMPSHIRE**  
**MINUTES OF THE MEETING OF THE**  
**BOARD OF GOVERNORS**  
**held on 11 July 2019 at 9.00 am**

**<sup>1</sup>PRESENT:** D Beaven (E); J Blaber (St); S Eden (E); T Floyd (E) (except mins 222-232); N Hopkins (E) (except min 228a); T Jackson (P); M Lauder (E); A Neal (E); A Owen (E); R Palmer (E); H Perry (St); C Wilson (E) (except min 228a).

In attendance: J Milburn, Deputy Principal – Curriculum  
S Willson, Clerk to the Corporation  
A Whitworth, Director of Finance

**APOLOGIES AND MEMBERSHIP**

137. Apologies were received from Z Carter and S Morgan.
138. The Board noted that E Hunter had completed her term of office as Student Governor and that the Chairman would write to her to express gratitude, on behalf of the Board, for her contribution.

**DECLARATION OF INTERESTS**

139. There were no interests to declare.
140. A number of governors hold directorships of the College's subsidiary companies and these are recorded in the Register of Interests.

**SENIOR POST HOLDER APPOINTMENT**

141. The Chairman noted the resolution of Board to appoint Julie Milburn as the Principal and Chief Executive Designate of Sparsholt College Hampshire to start in post on 1 August 2020. Confidential matters are recorded separately.

**MINUTES**

147. **Resolved** – that the minutes of the meetings held on 4 April (Parts 1 and 2) and 16 May (Parts 1 and 2) be confirmed as a correct record and signed by the Chairman.

Insurance (Mins 71/19)

148. Following discussions of the College's insurance cover in relation to 'cyber security risk' at the April meeting of the Board, the Director of Finance reported that the College's existing insurance covered matters such as liability if the College was sued by a third party following a data breach but not, for example, IT recovery costs resulting from a cyber-attack. The indicative costs for additional insurance cover was £5k pa and the SLT was minded to proceed given the increased potential cyber security risks to the sector,

---

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

subject to final costs being confirmed and considered reasonable. The Board agreed that that this was in the interests of safeguarding the College's assets.

### **CHAIRMAN'S REPORT**

149. The Board had received the report of the Chairman which summarised activities he had undertaken since the April meeting of the Board and matters which had required his consideration.
150. The Chairman thanked the members of the HE Governors Working Group for overseeing the development and submission of the College's new Access and Participation Plan to the Office for Students (OfS).
151. The Chairman also highlighted to Members the situation at Hadlow College and the importance of the checks and balances provided by an active governing body.

### **SAFEGUARDING AND PREVENT**

152. The Board had received the annual report of the Deputy Principal - Curriculum on Safeguarding, including Prevent, and the draft annual Child Protection Audit for Hampshire County Council and an analysis of safeguarding cases. This provided an annual review with termly reports to the Board via the Wellbeing Committee and monthly headlines in the Healthcheck Report.
153. The Board welcomed confirmation that the SLT was confident that comprehensive and effective safeguarding practices existed within the College and that a culture of adherence to and continuous development of those practices had been established and was being maintained.
154. Members sought and received further information as regards support of student mental health (including HE students), retention of safeguarded learners and education and systems in relation to online safety.
155. The Board endorsed the management's responses to the annual Child Protection Audit conducted for Hampshire County Council. It was noted that Teaching Prohibition checks were not undertaken because they were not available to FE colleges. The Deputy Principal – Curriculum has previously raised with the AOC the Board's request that the AOC seek access for the FE sector but this was not as yet forthcoming.
156. The Deputy Principal – Curriculum noted that, while an updated Safeguarding Learners Policy was presented to the Board for approval, it has been announced that further updates to the Keeping Children Safe in Education (KCSIE) statutory guidance would be published shortly and that institutions were required to comply with the revised guidance from 2 September 2019.
157. **Resolved** – that the updated Safeguarding Learners Policy be approved with immediate effect and that authority be delegated to the Chairman and Principal to approve further revisions to the policy in order to comply with further updates to the KCSIE statutory guidance ahead of 2 September 2019.

### **COLLEGE POLICIES**

158. The Board had received the report of the Deputy Principal - Curriculum on proposed updates to College policies and the Deputy Principal – Curriculum highlighted the key

changes to the policies, as summarised in the report. The learner policies had also received prior scrutiny by the relevant committee.

### Learner Policies

159. Members raised a number of queries about the policies, with the Deputy Principal – Curriculum providing additional context. In relation to the Missing from Education Policy, it was confirmed that exchange of personal data with Hampshire County Council (HCC) took place via an encrypted system as used by schools.
160. Responding to a Member’s question, the Deputy Principal – Curriculum undertook to add a reference to the ‘Stop and Search a Learner’ Policy to align it with the Student Code of Conduct in relation to rules about over 18-year-old residents and alcohol. In relation to the prohibited weapons, it was explained that management was aware of the legal rights of Sikhs to wear a religious Kirpan (which resembled a small dagger) and that, given the College had not had any Sikh students enrolled for at least three years, it was not considered necessary at this time to make explicit reference in the policy to a Kirpan not being a prohibited “knife”. More generally, it was understood that there was sometimes a legitimate reasons for students to bring tools on to campus for their educational activities and Members accepted that the policy would be interpreted sensibly by staff with this in mind.
161. Following a suggestion from the Staff Governor, the Deputy Principal – Curriculum agreed that reference to smoking and vaping being prohibited (other than in the designated shelters) be added to the Student Code of Conduct.
162. The Deputy Principal – Curriculum reported that a new, experienced Head of Careers had been appointed and was due to start at the College in September.
163. **Resolved** – that the following policies be approved:
  - a) Safeguarding Learners Policy and Procedures;
  - b) Missing from Education;
  - c) Student Code of Conduct, as amended;
  - d) ‘Stop and Search a Learner’ Policy;
  - e) Careers Education, Information, Advice and Guidance (CEIAG) Policy

### Associate Delivery

164. The Principal explained that an updated version of the Associate Delivery – Supply Chain Fees and Charges Policy had been circulated to Members, which reflected recently published changes to the ESFA rules for subcontracting apprenticeships. The policy spanned two academic years in order to include July 2019 learners. The policy had been updated to include the fees structure and more details of the services provided by the College and the information to be included in subcontractors’ contracts. The policy had also been revised to allow subcontracting in Hampshire and within two hours travel distance from the College (replacing a previous reference to “surrounding counties”).
165. The Principal explained that colleges had been advised by the ESFA that further changes to subcontracting rules should be expected and proposed that authority be delegated to the Chairman to approve subsequent changes to the policy (which would be reported to the Board).

166. Responding to Members' questions, the Principal explained the scope of due diligence undertaken by the College and confirmed that agreements with contractors defined quality measures and were quality assured by the College. The Principal agreed that it would be complex to itemise spend within the 20% cap and that the methodology would be reported to the relevant committee.
167. **Resolved** – that the revised Associate Delivery – Supply Chain Fees and Charges Policy be approved and that authority be delegated to the Chairman to consider and approve further updates to comply with the ESFA's requirements.

#### **PRINCIPAL'S REPORT AND STRATEGIC PLAN**

168. The Board had received the Principal's report and termly update on progress towards achieving the College's Key Strategic Objectives and the Annual Milestones for the year to end 31 July 2019, together with the latest College Healthcheck Report (06/2019).
169. The Principal confirmed that progress in delivering the Strategic Plan was 'Good', with only 3 out of 34 Annual Milestone Objectives at some risk of not being achieved in full by year end, and summarised key points to note including in relation to quality of learner outcomes and delivery work placements.
170. The Board noted that the financial outturn for 2018-19 was planned to be in surplus and that the financial outlook for 2019-20 was challenging and would require careful financial management but with indications of positive recruitment which would lead to an uplift in income in 2020-21. There was focused management activity where risks had been identified in relation to recruitment for entry in September 2019.
171. Members discussed the direction of travel of FE funding and policy, noting both opportunities and challenges in relation to the development of technicals and T Levels.

#### **STRATEGIC PLAN 2019-2022**

172. The Board had received the report of the Principal together with the draft Three Year Strategic Plan 2019-22, including the Annual Milestones for 2019-20 and related risks.
173. The Board noted that the Risk Management Plan for 2019-20 would be presented for approval to the Board in October.
174. Responding to a Member's question about the lack of specific objectives in relation to the College as a good employer, such as targeting staff satisfaction or CPD, the Principal undertook to add an objective to reflect the College's ongoing commitments as an employer, which were along the lines of the Investors in People framework.
175. The Principal also undertook to include enrolment targets at Milestone 11 and to review the wording of Milestone 14 in relation to the Access and Participation Plan targets.
176. **Resolved** – that the Mission, Values, three-year objectives, annual milestone objectives and key measures for the period 2019-22 be approved with the amendments agreed.

#### **FINANCE**

##### Financial plans

177. The Board had received the report of the Director of Finance proposing the two-year financial forecast for 2019-20 – 2020-21, including the budget for 2019-20, and the Education & Skills Funding Agency (ESFA) financial plan checklist for corporation boards. Members had also received the May Management accounts.

178. In relation to the Management Accounts, the Director of Finance confirmed the College remained on track to deliver at least the forecast surplus at year end, while taking available actions to reduce pressure on the 2019-20 budget. The cash flow remained healthy.
179. The Director of Finance summarised key points in the budget documents, including in relation to income and expenditure, responding to questions raised by Members.
180. It was noted that, subsequent to the budget and financial plan being presented to the Resources Committee, an increase in AEB grant income of £117k for 2019/20 had been advised (providing that the College could deliver this and noting that there would be some associated costs). This grant would be subject to reconciliation clawback if not earned. There was also extra income now anticipated in the form of an additional sum of £45k above that which had been budgeted as likely to be paid as a pension grant (for TPS cost increases) and a £100k donated asset in relation to the rifle range. The Board agreed that, as the timing and receipt of these income variations was not certain, the 2019-20 budget should not be amended at this time.
181. It was also noted that the contingency plans set out in the sensitivity analysis in relation to making savings in staff costs could be challenging, although the lagged funding for FE enabled advance planning in some areas.
182. The Board noted the key financial targets for 2019-20 and that the financial plan would enable the College to achieve an ESFA financial health score of 'Good' in both 2019-20 and 2020-21. It was also noted that the various bank covenants had been calculated using the 2019-20 budget and 2020-21 high-level forecast and that it was expected that all could be met.
183. The Board also noted the high level 2020-21 forecast for a surplus and the anticipated growth in student numbers and assumptions as regards funding of additional TPS costs. It was recognised that there were uncertainties over the future costs of TPS and this would require to be kept under review. The Director of Finance explained assumptions in relation to increases in costs, noting that if there were cost pressures in some areas, reductions in costs would need to be sought in other areas.
184. The Director of Finance stressed that management would be regularly testing the 2020-21 forecast assumptions to ensure that a surplus would be deliverable and reporting to the Board.
185. Asked about sensitivity analysis in relation to a potential raise in borrowing rates in the UK, the Director of Finance explained that most of the College's loan rates were fixed.
186. Members questioned the certainty over forecasted HE tuition income and the Director of Finance confirmed the robust modelling which had been undertaken by the Director of Funding and Information and scrutinised by the SLT which supported the forecasts. The Principal confirmed that on this basis, and with the College's HE strategy and marketing activities, it was considered that the growth ambitions were achievable. Member also discussed the potential correlation between FE and HE enrolments and changes to the local and national economy, particularly given the uncertainty linked to Brexit.

**187. Resolved – that:**

- a) A budget for 2019/20 be approved, which shows a deficit of £460k before FRS 102 pension charges or credits, and where the College's underlying operating cash flow is neutral prior to the inclusion of the animal management centre project;
- b) A high-level forecast for 2020/21 before FRS 102 pension charges or credits showing a surplus of £141,000 be approved;
- c) A capital spend allocation of £800k for 2019/20, fully funded by the College, be approved;
- d) The Financial Plan be submitted to the ESFA where the data included is consistent with the Budget approved by the Board of Governors.

**AUDIT**

188. The Board had received the proposed Internal Audit Plan for the year ending 31 July 2020 and the External Audit Planning Memorandum for the year ending 31 July 2019.
189. The Committee Chair provided a verbal report of the Audit Committee meeting held on 6 June 2019, noting that the unconfirmed minutes of the meeting were not yet available and would be presented at the following Board meeting.
190. The Committee Chair summarised the outcomes of internal audits of IT, Learner Number Systems and Capital Project Planning, noting that substantial assurance had been received from the auditors and that there were no outstanding audit actions from previous audits.
191. The Committee Chair also highlighted the value for money being achieved by the College through procurement activities and noted some pay roll matters which had been reported to the Committee by management.
192. The Chair of the Audit Committee explained that the Internal Audit Plan for the current year had been updated to replace staff utilisation with cash flow management, to enable the staff utilisation audit to take place in a timelier manner during 2019-20.
193. **Resolved** – that the revised Internal Audit Plan for the year ending 31 July 2019 be approved.
194. The Committee Chair reported that the Committee had confirmed the tender process for external auditors and that it was the intention to recommend an appointment at the next Board meeting. Members of the Board would be invited to the shortlisted auditors' presentations, alongside members of the Audit Committee.
195. The Director of Finance confirmed that RSM had declined to submit a tender for external auditor services, in preference of continuing as the College's internal auditors, and noted discussion with RSM regarding the internal audit fee for 2019-20. The Board noted the outcome of the fee discussions and agreed to accept the fee for this year.
196. The Committee Chair summarised the Committee's consideration of the external audit plan, noting that there was a new team in place under the KPMG Partner. The Director of Finance reported that she had queried the level of fee (agreed prior to her arrival in post) for SCS Ltd and that KPMG maintained that this was the appropriate fee for the audit work involved.

197. **Resolved** – that the Internal Audit Plan for the year ending 31 July 2020 and External Audit Planning Memorandum for the year ending 31 July 2019 be approved and that an additional review of subcontracting controls be commissioned if required by the ESFA.

#### **CURRICULUM, EMPLOYERS & MARKET REQUIREMENTS COMMITTEE**

198. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers & Market Requirements Committee (CEMR) held on 23 May 2019, together with the College's Curriculum Plan for 2019-20-2021-22 which had been endorsed by the Committee.
199. The Committee Chair highlighted a number of key points, including in relation to FE student destinations where 94% of full-time 16-18-year-old students had known destinations.
200. The Committee Chair also noted that the Committee had agreed that there would be value in seeking a new co-opted member with experience and knowledge that would provide an additional external perspective on matters under the remit of the Committee.

#### **QUALITY AND STANDARDS COMMITTEE**

201. The Committee Chair provided a verbal report of the Quality & Standards Committee (Q&S) meeting held on 20 June, noting that the unconfirmed minutes of the meeting were not yet available and would be presented at the following Board meeting.
202. The Committee Chair highlighted very good reported progress in relation to the Quality Improvement Plan and the attention being given to the Animal Management faculty. The Committee Chair also explained the Committee's considerations of the FE Curriculum Delivery and Quality Improvement Strategy for 2019-20, in particular in relation to the key area of assessing quality of teaching and supporting improvements. The Committee had welcomed the rigorous and ambitious planned approach.
203. As a follow up to the Q&S meeting, the Board had received the high level report of the Assistant Principal – Higher Education on interim HE student performance as reported at the July Exam Board. It was noted that early indications showed good achievement rates coupled with positive current retention rates and an improved overall satisfaction score in the National Student Survey (NSS). A final report would follow to Q&S in the Autumn term.

#### **204. RESOURCES COMMITTEE**

205. The Chairman provided a verbal report of the Resources Committee meeting held on 20 June 2019, noting that the unconfirmed minutes of the meeting (Parts 1 and 2) were not yet available and would be presented at the following Board meeting.
206. The Chairman noted the report to the Resources Committee on detailed negotiations with Handelsbanken in relation to establishing a Revolving Credit Facility (RCF) and that the College had been unable to agree satisfactory contractual terms. It was therefore recommended that the College not proceed with the RCF and that the loan with NatWest bank remain in place.
207. **Resolved** – that the conditions in relation to resolutions of the Board of Governors 294/18 and 295/18 related to changes in banking arrangements had not been met and that the College would not proceed at this time with a Revolving Credit Facility with Handelsbanken or with repayment of the loan with NatWest.

### Human Resources

208. The Chairman reported discussions by the Committee in relation to staff remuneration and affordability.

### Property

209. The Principal reported the progress with plans for the Animal Health and Welfare Centre capital project, noting the completion of due diligence on the EM3 LEP bid of £1.15 m and that the total revised budget was £1.95m, including c£650-750k of College cash. The Resources Committee had reviewed the investment case and project objectives and recommended the Board approve implementation. The Principal had also reported to the Resources Committee the appointment of architects, Hyphen, to progress the project to detailed design and delivery.
210. **Resolved** – that the Animal Health and Welfare Centre capital project be approved at a total project cost of £1.95m, including LEP funding of £1.15m.
211. The Board had received the Property Strategy, recommended for approval by the Resources Committee.
212. **Resolved** – that the Property Strategy be approved.

### **HE GOVERNANCE WORKING GROUP**

213. The Board had received the minutes of the meetings of the meetings of the HE Governance Working Group held on 7 and 27 June 2019, together with the new Access & Participation Plan 2020-21 to 2024-25 (APP) submitted to the Office for Students (OfS).
214. The Chair of the Working Group highlighted the key strategic targets and levels of investment and noted the monitoring arrangements for the APP.
215. The Principal reported that, following an initial review of the APP, the OfS had requested a number of changes and/or additional information which the Assistant Principal – HE confirmed management believed were achievable.
216. The Board commended the detailed analysis and strategic considerations undertaken by the management team.
217. The Director of Finance reported that, separate to the APP, the OfS required HE institutions to publish information about value for money to students and that the College had produced a summary of income and expenditure for publication annually on the College's website.

### **WELLBEING COMMITTEE**

218. The Board had received the unconfirmed minutes of the meeting of the Wellbeing Committee held on 11 June 2019 and proposed revisions to the Health & Safety Policy.
219. The Principal also highlighted a number of key points in the minutes, noting the appointment of a new Health & Safety Officer who would be joining the College shortly.
220. In response to a Member's question about the accessibility of the defibrillators installed on campus, the Deputy Principal – Curriculum explained the process to access phones and codes.
221. **Resolved** – that the updates to the Safeguarding Policy and Procedures, as set out in the Wellbeing Committee minutes, be approved.



### **SPARSHOLT COLLEGE SERVICES LIMITED**

222. The Board had received the minutes of the Sparsholt College Services Limited (SCS) Board of Directors meeting held on 17 June 2019 and the Chairman (in his capacity as Chair of the SCS Board of Directors) highlighted key points, including noting that savings were beginning to be realised by the introduction of a defined contribution pension scheme for new joiners.
223. The Principal noted that, following a review of College HR policies by Warner Goodman, it was the intention to propose to the SCS Board that secondment arrangements between the College and SCS be introduced for a small number of additional College managers to confirm their formal responsibilities in relation to the conduct and performance of SCS employees working within their faculty teams.
224. It was noted that the SCS Board of Directors would be invited to confirm the appointment of the Principal Designate of the College as Chief Executive (seconded) of SCS in due course.

### **ANDOVER TOWN FOOTBALL CLUB LIMITED**

225. The Board had received the minutes of the Andover Town Football Club Limited (ATFC Ltd) Board of Directors meeting held on 10 May 2019.
226. The Board noted confirmation of the appointment of Helen Perry (in her capacity as governor) to the Board of Directors.

### **GOVERNANCE**

227. The Board had received the report of the Clerk updating on governance matters. The Chairman and Vice Chairman were not present for the Clerk's verbal report to the Board of the outcome of their respective annual performance review surveys. The Clerk also provided a verbal report on the outcome of the nominations process for a new Andover College Student Governor.
228. **Resolved** – that
- a) Neil Hopkins be reconfirmed as Chairman and Chris Wilson be reconfirmed as Vice Chairman of the Board of Governors;
  - b) Jessica Porter be appointed as Student Governor (Andover College) from 1 September 2019 for the duration of her enrolment at the College.
  - c) Chris Wilson be appointed as Chair of the Audit Committee for 2019-20
  - d) Tom Floyd be appointed as Chair of the Curriculum, Employers & Market Requirements Committee for 2019-20
  - e) Roger Palmer be appointed as Chair of the Quality & Standards Committee for 2019-20
  - f) Adrian Neal be appointed as Chair of the Remuneration Committee for 2019-20
229. The Clerk introduced proposed revisions to the terms of reference of three committees and the Director of Finance explained the planned change to forecasting against budget in 2019-20, noting that the forecast outturn at year end would be reviewed monthly on a rolling basis (rather than at a fixed mid-year point) and prioritised on a risk based approach.

230. **Resolved** – that the revised terms of reference of the Curriculum, Employers & Market Requirements Committee, Quality & Standards Committee and Resources Committee be approved.

**CHAIRMAN APPROVALS**

231. The Board noted the Chairman had approved an extension to the Option Agreement with Ecotricity in relation to the anaerobic digester facility, following consideration by the Resources Committee, under provisions in the Standing Orders for urgent action (86-87).
232. Confidential items discussed are recorded separately. The meeting closed at 1.15 pm.