

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 1 October 2020 at 9.00 pm
via videoconference

¹PRESENT: Z Carter (E); J Emm (SCS); T Floyd (E); N Hopkins (E, Chair); J Lander (E); M Lauder (E); J Milburn (P); N Moody (E); S Morgan (E); A Neal (E); A Owen (E); R Palmer (E); H Perry (S); C Wilson (E, Vice Chair)

In attendance: J Baker – Vice Principal Curriculum, Sparsholt College
S Grant – Deputy Principal, Corporate
Scott Hermiston – Data Protection Officer (minutes 361 to 365)
B Stokes – Vice Principal Curriculum, Andover College
A Whitworth, Director of Finance
S Willson, Clerk to the Corporation

LONG SERVICES AWARD

327. A Long Service Award is to be awarded to Sue Stevenson, Equine Studies, in October in recognition of her 25 years of service to the College.

DECLARATION OF INTERESTS

328. There were no new interests to declare. The Board's Register of Interests records Members who hold (unremunerated) directorships of the College's subsidiary companies.

MINUTES

329. **Resolved** – that the minutes of the meeting held on 9 July 2020 (Parts I and II) be confirmed as a correct record and signed by the Chair of Governors.

Internal Audit Plan (Minutes 260/20)

330. The Director of Finance confirmed that the remaining internal audit from the 2019-20 plan, on curriculum planning, had taken place and would report to the November meeting of the Audit Committee.

Equality & Diversity (Minutes 282 and 302/20)

331. The Principal confirmed that the Single Equality Scheme 2020-24 had been finalised and published.

332. The Chair noted that further consideration of the Board's engagement with the College's equality & diversity objectives would be reported as part the Board's performance review later on the agenda.

333. There were no matters arising not covered elsewhere on the agenda.

¹ (E) = External; (P) = Principal; (S) = Staff; (SCS) = Sparsholt College Services Staff Governor; (St) = Student

CHAIR OF GOVERNORS' REPORT

334. The Board had received and noted the report of the Chair which summarised activities he had undertaken since the July 2020 meeting of the Board and forthcoming events and matters requiring his consideration.

QUALITY

FE performance 2019-20

335. The Vice Principals - Curriculum gave a presentation on early quality performance indicators for FE, ahead of completion of the annual Self-Assessment Report (SAR) for 2019-20. It was noted that some of the data was still to be finalised when all results were confirmed.
336. Noting the anticipated improved achievement rates for Sparsholt College, the Vice Principal Curriculum (Sparsholt) explained that most courses had completed exams and synoptic assessments prior to lockdown. The results reflected well on the quality improvement actions undertaken during the year and the success of the preparations for assessments. Retention had remained broadly similar year on year and was a priority for 2020-21.
337. The Vice Principal Curriculum (Andover) highlighted the improvements in retention and achievement at Andover College and summarised outcomes in relation to 'value added' scores for A Levels and BTec results, praising the work of the Quality and teaching teams. The (Academic) Staff Governor added the reassurance from her experience of grading BTec and A Level subjects that there had been eight assessment points prior to lockdown which were used to inform final grades ensuring the robustness of the Centre Assessed Grades (CAGs).
338. It was noted that lockdown had had a negative impact on English and maths functional skills results in the 19+ cohort and that English and maths remained an area of continuing focus for the college as a whole. Responding to a member as to the impact of these results on students' future pathways, the Vice Principal Curriculum (Andover) provided reassurance that the College had access to additional 'small group' funding to support students to progress and that the ability to deliver additional support had been built into the timetable. The College was also aware that newly enrolled students might not be as secure in their knowledge as their GCSE results indicated and would require support.
339. Asked by a member whether information was known about how the college had performed in comparison with other land-based colleges and because of lockdown, the Vice Principal Curriculum (Sparsholt) surmised that achievements rates would increase at most colleges. The Department for Education (DfE) had decided not to publish national achievement rate tables for 2019-20 so comparative data would not be available. However, management was confident that the improvement in achievement rates at the College were based on genuine underlying improvements and that this was a positive indicator for future years.

PRINCIPAL'S REPORT AND STRATEGIC PLAN

Strategic Plan 2019-20

340. The Board had received the report of the Principal on the three-year objectives of the Strategic Plan and the annual milestones for 2019-20.

341. The Board noted that overall delivery of the annual milestones had dropped to 'satisfactory' because of 7 out of the 34 Annual Milestones only being partially achieved, 5 of these due to Covid-19. Nonetheless, 80% of the objectives had been fully achieved, demonstrating the agility of the College to function both effectively and efficiently in the challenging circumstances of the Covid-19 pandemic.
342. The Board noted that achievement rates across both campuses were expected to improve and support the awarding of 'Good' for Quality of Education in 2019-20. There remained a small number of areas that required improvements in teaching, learning and assessments which would be addressed in the Quality Improvement Plan (QIP) for 2020-21. The financial outturn for 2019-20 was likely be an improvement on the reforecast budget but the financial outlook for 2020-21 was challenging and there were a number of uncertainties associated with Covid-19.
343. The Principal and the Board recognised the commendable response of College Group staff across all areas of business in dealing with the Covid-19 pandemic.

Strategic Plan 2020-21

344. The Board had received the report of the Principal summarising key developments at the College since the previous meeting of the Board, including matters related to the Covid-19 pandemic and the latest Covid-19 risk assessment, and progress against those strategic objectives where actions had commenced for 2020-21.
345. The Principal provided the latest enrolment data for 16-18 year olds at both campuses, which suggested that overall FE enrolments would be at a similar level to the year before. There were a significant number of learners with attendance rates at less than 50% at this point of term which was being investigated to understand if this was as a result of short-term Covid-19 related absences or an indicator of possible risks to retention. The Vice Principal Curriculum (Andover) explained that the College had implemented a monitoring system for risk factors related to student retention to help to quickly identify students requiring additional support and to ensure that potential barriers to their learning could be overcome. The College had also put preparations in place in the event of late enrolments from students transferring from other colleges.
346. The Deputy Principal Corporate provided an update on HE enrolments, noting that first year enrolments were anticipated to have increased by 35 year on year.
347. The Board noted the significant challenges currently faced by all four cornerstones of the College's business as a result of the pandemic, with continuing uncertainties including in relation to possible further Covid-19 related restrictions and the plans for examinations and assessment in summer 2021. The Principal highlighted the extra work and disruption which had resulted for staff over the summer and because of supporting new students impacted by lockdown, giving examples of some of the preparations and ongoing actions being taken.
348. Asked by a member about whether the newly enrolled students had access to equipment for online home learning, the Deputy Principal Corporate explained that capital investment the College had been made in ILT to support maintaining bubbles on campus and ensuring access for students, particularly those from low income families. The College had an agreement in principle to a digital consortium bid (submitted on behalf of EM3

- colleges) to realise c£450k of £2.2m external investment matched by College approved Capex spend for further investment in ILT.
349. Responding to the Chair of Governors' question as to how students were responding to face-to-face teaching after a gap of several months, the (Academic) Staff Governor reflected her personal experience that students were positive about being at college, attendance rates were very good and students were complying with Covid-19 requirements. The SCS Staff Governor confirmed that this was also the experience of the Premises and Reception staff.
 350. The Principal highlighted that there was a risk to the College achieving its full number of Industry Work Placements (IWPs), as required under the funding rules, due to some employers being unwilling/unable to participate this year because of Covid-19. There had been no guidance or changes to the requirements from the DfE to date and therefore some placements were underway. The issue was being kept under close review by management.
 351. The Board discussed the latest HE National Student Survey headline results, with further analysis to follow to the Quality & Standards Committee in November, and noted that the HE Student Protection Plan for 2020-21 had been reviewed and published with minor amendments to the previous plan to reflect changes in linked policies and the recent periodic review with the University of Portsmouth.
 352. Asked about feedback from HE students in relation to 2020-21 studies and Covid-19, the Deputy Principal Corporate reported that University Centre Sparsholt had ensured clear and timely communication about the ways in which learning was planned to be delivered with a preference for face-to-face delivery but also the option of remote learning supported by the installation of new virtual technology for use by teaching staff.
 353. In relation to the update on financial strength and efficiency, a member questioned whether there was a risk of not completing the capital works funded by the Further Education Capital Allocation (FECA) grant by the deadline of 31 March 2021 and whether the works could be extended to new Covid-19 related spend, the Director of Finance assured the Board that there was a plan in place to complete the works, some of which were relatively small scale, with preferred suppliers in place which would avoid lengthy tender periods. The works were limited to those identified from an earlier condition survey conducted for the DfE and could not be extended. However this did free up some spend for other areas.
 354. Questioned about risks in relation to the outsourced catering contract, the Deputy Principal Corporate explained the challenges for the supplier and reported the contract variation which had been put in place, noting that this was preferable to the cost-plus contracts to which other colleges had switched. There might also be a reduction in the number of outlets on each campus, reflecting reduced demand. The aim was to maintain the viability of the outsourced catering through being flexible.
 355. The Board noted the latest Covid-19 risk assessment and was assured that the SLT continued to review and update the risk assessment in line with DfE guidance. The Principal reported on new developments, including the arrangements which had been put in place to separate managers and staff between the two campuses, with additional controls in place where this was not feasible, and the purchase of marquees to provide additional covered outside space for students to assist with maintaining bubbles.

RISK MANAGEMENT

356. The Board had received from the Principal the Risk Management Plan 2020-21 which outlined the College's main responsibilities and procedures for managing risk and set out the risk register monitoring framework, including the latest risk register dashboard.
357. The Principal noted that, in addition to the pressure on financial health which had faced the FE sector in recent years, the Covid-19 pandemic added a further dimension to the College's Risk Management Plan given its impact across all areas of the College and had been reflected in the risk register, with an increase in the number of risks being assessed as 'Significant' as a result. The SLT believed that the Risk Management Plan and Risk Register presented a solid appraisal of the main corporate risks facing the College, together with clear and appropriate management controls to address the risks identified in so far as possible.
358. The Board also noted that the internal auditors, RSM, would be conducting an audit of the College's risk management processes in November and that the outcomes would be reported to the Audit Committee and the Board.
359. The Chair of the Audit Committee proposed that the process and timeline for reviewing the Risk Management Plan be considered by the committee in order to inform the process by which the committee advised the Board on the following year's plan.
360. **Resolved** – that the Risk Management Plan 2020-21 be approved.

DATA PROTECTION

361. The Board had received the annual monitoring report of the Data Protection Officer (DPO) on activities related to Data Protection and Freedom of Information (FOI) legislation during the 2019-20 academic year.
362. The DPO confirmed that although the volume of data subject requests, requests 'to be forgotten' and Freedom of Information requests had increased year-on-year, the legal timeframes and processes for responding had been complied with. The DPO had dealt with seven reported data breaches in 2019-20; the majority had related to small scale administrative errors and were assessed as not constituting a serious risk. One was formally reported to the Information Commission Office (ICO) at the insistence of the complainant and had been confirmed by the ICO not to warrant any action. The DPO had received one notification by a third party reporting a possible data breach due to a missing parcel delivery. The package was since successfully recovered with the data remaining confidential.
363. The DP also reported data protection training for new staff and the data protection measures taken during the Covid-19 lockdown to maintain the security of data.
364. The Board noted that 12 Freedom of Information requests were received in 2019-20, a continuing upward trend, and all responded to within the required timeframes.
365. The Board acknowledged the importance of compliance with legal requirements and was assured by the clear and transparent reporting of the DPO of Data Protection and Freedom of Information activities that the College continued to take its legal obligations seriously.

FINANCE

Two Year Financial Plan

366. The Board had received the report of the Director of Finance on the end of year financial position 2019-20 and early indications on progress with the 2020-21 and 2021-22 two-year financial plan, including in relation to bank loan covenants. The Board noted that the management accounts to 31 July 2020 were close to being finalised and would be distributed to members after the meeting.
367. The Director of Finance summarised key points from her report, noting that the 2019-20 outturn was expected to be a surplus of c£360k before any FRS102 pension and SWAPS related adjustments. There remained some matters still to be confirmed, including in relation to AEB (adult education funding), but there was no indication that the 2019-20 bank loan covenants would not be met.
368. The Director of Finance noted that the outturn was more positive than had been forecast and explained that this was the result of the complexity of the College's activities, the high degree of uncertainty linked to the pandemic and a policy of prudent forecasting (including not included unconfirmed income). Going forward, a list of areas of possible improvement/deterioration would be presented in the management accounts to illustrate the level of uncertainty.
369. Responding to a member's question, the Director of Finance explained the position regarding the increase in the Local Government Pension Scheme (LGPS) liability valuation, noting that it was not possible to predict at this stage whether there would be a future improvement if the downturn in the financial markets due to the pandemic was reversed.
370. Asked about the strategy in relation to cash and bank loans, the Director of Finance explained that there were two exceptional factors in relation to the cash position in 2019-20: the timing of payment of EM3 LEP grant funding for the Animal Health & Welfare Centre capital project; and differences to AEB income.
371. Responding to a member's question about whether any loans should be repaid and/or covenants renegotiated in light of the risk of breaching the bank loan covenants in 2020-21, the Director of Finance explained that the bank loan covenants had been comprehensively reviewed and updated in recent years, to the benefit of the College, and that it had also previously been agreed that it was not in the College's financial interests to pay off a loan due to the size of the loan, the early payment penalty fee, the advantages of the College maintaining a strong cash position and the fact that this would not prevent the breaching of other bank loan covenants. The member suggested that the banks ought to be prepared to renegotiate early repayment penalties if this was in the interests of the College and the bank.
372. The Director of Finance reported that the external audit work was due to commence shortly with the expectation of meeting the normal ESFA deadline of 31 December 2020 for the submission of approved audited accounts and not anticipating requiring the ESFA's extension to 31 January 2021. The auditor would assess whether the College remained a 'going concern', including in relation to bank loans, and the Director of Finance noted that there would be further discussions with the banks to discuss the latest position and agree what assurances the banks could provide to the auditors. Indications to date were that deficit budgets were also an issue for other colleges and that the banks would not be seeking to require the repayment of loans.

373. The Chair of Governors acknowledged that, while there was a low level of risk that the banks would require loans to be repaid in the event that the deficit budget could not be improved sufficiently to meet the covenants, there was also the possibility of higher rates and/or security of assets being required by the banks. The Chair of Governors asked the Principal to consult with the AOC as to FE sector's positioning with the banks.
374. The Board noted that the ESFA required colleges to submit a further Covid-19 financial return in November and that this would be signed off by the Principal as Accounting Officer.

Insurance

375. The Board had received the report of the Director of Finance setting out considerations in relation to the College's insurance cover and reporting an insurance re-evaluation of the College's estate.
376. The Board noted the insurance valuation of the College estate and that this had led to a modest increase in the premium for material damage (buildings).
377. The Board noted that the College's main insurance policy and additional specialist insurance policies excluded acts of terrorism, although there was cover in place for malicious damage to crops and farm equipment. Members of the Board and SLT discussed the level of potential risk to the College in relation to damage to buildings and subsequent impact on delivery of the curriculum, relative to the cost of additional insurance cover. Members noted that, while the risk of damage caused by terrorism had previously been deemed to be very low, it could not be certain that it would remain so and that the consequential financial impact could be significant. It was also noted that the cover might only be relevant for parts of the overall College estate.
378. **Resolved** – that the Director of Finance be requested to seek quotes through specialist brokers for insurance options to inform further consideration of the level of risk and value for money in relation to terrorism insurance ahead of the SLT presenting a recommendation to the Board.

Student Fees

379. The Board had received the report of the Deputy Principal Corporate on HE tuition fees for 2021-22.
380. The Board noted the confirmation from management that Consumer Markets Authority guidance had been observed in the setting of the refund criteria (tested by the internal auditors in April 2020) and that the approved fees would be reported to the Office for Students as part of the University Centre Sparsholt annual fees limit data return.
381. The College charted the maximum undergraduate fees, which supported delivery of the Access and Participation Plan priorities. It was noted that the number of students reported eligible by UCAS for bursary support/hardship fees had increased by about 30% in 2020-21 and that the higher levels of unemployment arising from the Covid-19 pandemic could lead to an increasing need for financial support for students.
382. Asked about the difference in fees between part-time undergraduate fees for BSc top ups and FdSc top ups, the Deputy Principal explained that the levels were informed by an understanding of the comparative market.

383. **Resolved** – that the current HE tuition fees and refund eligibility structure be maintained for 2021-22, other than a reduction of £300 per annum for Veterinary Nursing fees.

COMMITTEES AND SUBSIDIARY COMPANIES

384. The Board noted that, in line with the Board's normal business cycle, no committee meetings had taken place since the July meeting of the Board. The Committee Chairs confirmed that they had no matters to report to the Board.
385. No meetings of the board of directors of the College's subsidiary companies had taken place since the last Board meeting.

GOVERNANCE

Written Resolutions and Chair of Governors' Approvals

386. The Board had received the report of the Clerk on written resolutions of the Board and approvals by the Chair since the previous meeting of the Board.
387. The Board noted that the written resolution in relation to staff remuneration had been approved.
388. **Resolved** – that the Resources Committee be delegated authority to confirm at its November meeting whether the College's 2019-20 financial position supported the payment going ahead.
389. The Clerk reported that, after the report being circulated to members, the Chair of Governors had approved updates to the College's Administration of Medicines and Medical Requirements Policy and summarised the changes. The Chair noted that the updated policy was available to any governor to review and comment.

Annual Performance Review

390. The Board had received the report of the Clerk to inform the Board's performance effectiveness review for 2019-20, together with proposed updates to the Safeguarding Lead Governor role description.
391. The Board concluded that there was overall satisfaction that the Board and its committee structure were continuing to operate effectively and to respond to changes in the regulatory and funding environment, including in relation to the Covid-19 pandemic.
392. The Board agreed a number of specific proposed actions to support prioritisation of discussion time at meetings and to streamline paperwork. The Board also agreed to the continuation of meetings via videoconference while necessary during the pandemic as these had provided an effective means of conducting business, although it was recognised that there were some less tangible downsides to not seeing colleagues and members of the SLT in person over an extended period.
393. In discussion, members endorsed the attendance at committee meetings from time to time by governors who were not members of the committee in order to gain experience and knowledge in new areas.
394. Members also welcomed the proposal of the SLT to offer informal 'bitesize' briefings alongside formal meetings as an opportunity to hear more about different areas of the college activities directly from the team involved, supplementing Link visits, Governors' Seminars and the detailed work of committees.

395. Responding to the survey feedback from governors, the Chair noted that the Principal would be undertaking a review of College strategy later in 2020/21 and ventured the possibility of convening a working party involving governors and SLT as part of this.
396. The Board noted the intention to restart the Link visit programme, which has been paused during the summer term, with a mix of face-to-face and online meetings and agreed to add 'Equality & Diversity' to the rolling programme of visits.
397. **Resolved** – that the updated Safeguarding Lead Governor role description be approved, and that Chris Wilson be re-appointed as Safeguarding Lead Governor for a term of office of one year from 12 October 2020.

Governance Update

398. The Board had received the report of the Clerk to the Corporation on governance matters, together with proposed updates to the Instrument & Articles, Chair and Vice Chair role descriptions and Chair and Vice Chair succession and appointment procedures following the Board's decision to introduce a Co Vice Chair.
399. The Clerk reported a proposed further amendment to the Vice Chair role description, at the suggestion of the Chair, to indicate that the longer serving Vice Chair would be the designated lead Vice Chair and act as the primary deputy for the Chair of Governors in order to provide clear lines of responsibility in the event that this be required.
400. The Board noted the FE and HE regulatory and funding bodies updates and the report that the College's membership of Landex had been reviewed and the College continued to meet the requirements of the 'Designated Specialist Land Based Provider' status.
401. **Resolved** – that
- a) The updated Instrument and Articles of Government be approved;
 - b) The updated Chair and Vice Chair(s) Role Description (including the additional section regarding lead Vice Chair) be approved;
 - c) The updated Succession and Appointment of the Chair and Vice Chair(s) Procedures be approved, replacing the former separate succession and appointment policies.
402. Responding to a suggestion from a Member, the Clerk to the Corporation undertook to draft and circulate protocols for the distribution and disposal of confidential information by Board Members.

College History Project

403. The Board had received a note from J Lander summarising plans for writing the College's history, ahead of its' 125th anniversary in 2024. The Board endorsed the project and thanked J Lander for volunteering his time and expertise to undertake it.
404. The Confidential matters were recorded separately. The meeting ended at 1.00 pm.