

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 9 December 2021 at 9.00 am
via videoconference

¹PRESENT: Z Carter (E); G Davies (E); J Emm (SCS) (to minute 561); T Floyd (E); N Hopkins (E, Chair); J Lander (E); M Lauder (E, Co-Vice Chair); J Milburn (P) (to minute 579); N Moody (E); S Morgan (E); A Neal (E); H Perry (S) (to minute 561); C Wilson (E, Co-Vice Chair).

In attendance: S Grant – Deputy Principal (minutes to 567)
N Heslop - Director of Finance (to minute 567)
C James – Vice Principal and Dean of Higher Education (to minute 561)
R Price – Interim Vice Principal Curriculum (Sparsholt) (to minute 561)
B Stokes – Vice Principal Curriculum (Andover) (to minute 561)
S Willson - Clerk to the Corporation (to minute 579)

APOLOGIES

448. Apologies were received from R Palmer and J Plenderleith.

DECLARATION OF INTERESTS

449. 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

450. **Resolved** – that the minutes of the meeting held on 7 October 2021 (Parts I and II) be confirmed as an accurate record, with the location (Sparsholt College) and start time (9.00 am) corrected.

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

CHAIR OF GOVERNORS' REPORT

452. The Board had received and noted the report of the Chair which summarised activities he had undertaken since the October 2021 meeting of the Board, including his attendance at the November meeting of the Audit Committee to hear the external audit partner presentation of Buzzacott's post-audit management report.

PRINCIPAL'S REPORT AND STRATEGIC PLAN

453. 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 strategic objectives for 2021-22.

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

454. The Principal drew the attention of the Board to the key updates summarised in the report and provided an update on 2021-22 enrolments (at the point R04) and student applications for 2022-23. It was noted that there had been some exclusions required in the Autumn term to address student behavioural issues and that the SLT was committed to ensuring positive behaviours in the interest of the supporting the overall student experience and the College's reputation.
455. The Board queried and discussed a number of matters covered by the report.
456. Members sought further information about the factors underlying the upward trend in applications for 2022-23 and welcomed the marketing and other activities being undertaken by management to increase awareness of the opportunities available at both campuses. Members also discussed the actions to invigorate the College's football curriculum offer and the Vice Principal Curriculum (Andover) confirmed that the new partnership with The Chelsea Foundation complemented the Andover Town Football Club pathways.
457. The Director of Finance reported the actions being taken to negotiate a new electricity contract, with the current fixed price contract expiring at the end of December at a time when energy costs were rising significantly. The SLT had considered energy cost forecasts and the options available in the electricity market for the length of contracts and had identified a one-year contract which offered the best fixed price at this time, although this represented a rise of over 100%.
458. The Director of Finance confirmed that management was also continuing to review ways to reduce energy usage and increase renewables, in addition to the existing use of LED lighting and solar panels, including costing installation of air sourced heat pumps. The Sparsholt campus did not have access to mains gas.
459. The Principal confirmed that the college was liaising with the AOC to lobby the Department for Education about the increased energy costs, particularly for land-based colleges.
460. The Director of Finance provided an update on a historic insurance claim from a former employee which had also been reported to the Audit Committee and also involved other former employers, noting that further investigation now appeared to have identified all the relevant insurance cover at the time. A member cautioned about the risks of prejudicing the insurers' position if a settlement was agreed before the insurance was confirmed. The Deputy Principal confirmed that the risk was understood and assured the Board that management had sought legal advice on behalf of the College about the terms of any settlement. The risk of a future claim was also understood, and the College's potential exposure was covered by the insurance.
461. The Board endorsed the plans for an event to develop relationships with local employers and to acknowledge their support of the College's students and staff and members expressed a willingness to help host the event.
462. The Board noted the latest Covid-19 risk assessment and the Principal explained the actions taken by staff to ensure the compliance of students with mask wearing requirements and the move to homeworking for staff where practical. It was noted that provision of student transport was an emerging risk due to the numbers of bus drivers impacted by Covid-19 but that management had so far been able to arrange cover

through an alternative coach company. Members were assured by the actions being taken to contact students early in the morning if buses were cancelled, to ensure their safety.

463. The Principal reported to the Board that, having first consulted the Chair of Governors, she had been appointed to the Landex board of directors as the London and South East college representative.

PROPERTY STRATEGY

464. The Board had received the draft new Property Strategy 2021-22 to 2026-27, together with the accompanying report of the Principal.
465. The Board noted that the strategy had been developed in conjunction with property advisors, Fusion Project Management, and with reference to condition data from the College's FECDG survey, Rekan survey and Arcadis survey. The development process had included consultation with stakeholders and oversight from the Governors' Property Strategy Working Group.
466. The Principal noted draft estimated costs of £38m in the investment matrix summary (this included £10m for a FE teaching building and £10m for a dedicated HE centre and the strategy was to fund one or the other) highlighted the review by the Resources Committee which had recognised that the strategy provided an overall framework of priorities for future property related decisions, informed by a number of key strategic objectives, but that deliverability of the strategy depended on availability of funding and that it would be necessary to retain some flexibility to respond to funding opportunities.
467. The Principal acknowledged that there would be challenges in progressing all the high priority projects and also explained that capital projects might not be deliverable in order of the priorities defined, giving the example of discussions with Hampshire County Council for future investment in new facilities for students with complex SEN needs.
468. The Board discussed the proposed strategy, with members raising a range of queries and seeking assurance in a number of areas. Matters discussed included the need to be cognisant of any strategic objectives which would result in interdependencies for capital investment, giving sufficient focus to improved space efficiency, immediate priorities for capital spend if investment funding was constrained, short to medium term investment in the Andover College campus recognising the unknown timeframe for the Andover Town redevelopment, and options for new HE facilities.
469. Members highlighted the benefit of early engagement with the planning authorities and fit with the Local Plans and the Principal noted that a campus visit was arranged for the Hampshire County Council Chief Executive in the New Year to explain the College's vision.
470. In relation to financing the strategy, it was noted that the £38m investment estimate did not include anticipated costs for some of the Andover College projects and the Principal explained that this was work in progress, with the College in discussion with other T Level providers and advisors to design and cost the necessary facilities. There was also a separate T Level funding stream for Specialist Equipment Allocation (SEA).
471. The Board agreed that the Governors' Seminar in January include consideration of the financing of future capital projects. This would include projects for the delivery of T Levels, where the Department for Education (DfE)'s T Level Capital Fund (TLCF) Wave 4 for Buildings and Facilities Improvement Grants (BFIG) had been launched with a deadline to submit applications in March.

472. **Resolved** – that the Property Strategy 2021-22 to 2026-27 be approved as fit for purpose to support the College’s curriculum vision and strategic objectives and finalised for submission to funding bodies as required.

HEALTHCHECK REPORT

473. The Board had received and noted the latest College Healthcheck report (2021/07).
474. A member sought further explanation about the reported ‘learner conduct and performance’ which indicated a relatively high level of incidences requiring conduct and performance reviews, and about the use of security staff.
475. The Principal reported that management had taken actions to address unacceptable behaviour, including fights on both campuses, to ensure the safety of other students and enforce clear expectations about student behaviour. External security staff had been brought in for an eight-week period to provide additional support to staff and a visible presence onsite and the situation would be kept under review.

QUALITY & LEARNER EXPERIENCE

476. The Board had received the FE Self-Assessment Report (SAR) for 2020-21 and FE Quality Improvement Plan (QIP) for 2021-22, both of which had previously been reviewed in detail by the Quality & Standards Committee.
477. The Interim Vice Principal (Sparsholt) (and Head of Quality & Learning) highlighted the developments to this year’s SAR process which had increased the depth of internal scrutiny and had included external validation by Landex at an earlier stage so that adjustments could be made to the SAR as a result.
478. The College had self-assessed its overall effectiveness as ‘Good’ and each of the categories of quality of education, leadership and management, behaviour and attitudes, and personal development as ‘Good’. Wellbeing and student support and residential support had been assessed as ‘Outstanding’ and safeguarding had been assessed as ‘effective’.
479. The Board noted that, among the assessments of teach and learning, there were some outstanding curriculum areas and a limited number of areas where further improvement was required. There had been excellent progress in delivering enhanced scrutiny and improved outcomes and the new QIP focused on the further actions needed to support teaching and learning to become consistently outstanding.
480. The Board acknowledged the constructively critical approach which management had taken and noted that there had been careful consideration as to whether personal development and leadership and management should be assessed as ‘Outstanding’. However, it had been recognised that there were further actions to be implemented this year, such as the Study Plus programme for students and actions in relation to staff wellbeing, where management wanted to maintain focus.
481. The Board noted the actions taken by management responding to challenges from the Quality & Standards Committee in previous years about implementing and widening the use of added value measures and noted the actions planned to improve outcomes in certain areas.
482. The Board discussed a number of others key aspects of the QIP, including actions to address retention of 19+ students and to improve the Maths achievement rates. The

Board welcomed the positive continuing development of the TALO (teaching and learning observations) programme and the commitment to teaching development support and use of external quality reviews.

483. In the absence of the Quality & Standards Committee Chair, C Wilson highlighted points from the committee's scrutiny of the SAR, reporting that the committee had discussed the proposed grading at some length and recognised that management had taken an approach which sought to identify areas for improvement. The committee was satisfied with the overall SAR process and had commended the inclusion of quantifiable targets in the QIP.
484. The Principal reiterated the strategic aim of become an 'Outstanding' college and that management were committed to identifying, delivering and measuring the impact of actions to enable further improvements.
485. Members commended the thoroughness and clarity of the SAR and QIP and the work of the teams involved.
486. **Resolved** – that the FE Self-Assessment Report 2020-21 and associated FE Quality Improvement Plan 2021-22 be approved as appropriate and supportive of driving further improvements in FE in the College.

AUDIT AND RISK MANAGEMENT

487. The Board had received the unconfirmed minutes of the Audit Committee meeting held on 16 November 2021 (with the latest Risk Register Heat Map and the committee's annual business plan), together with the updated Whistleblowing (Duty to Act) Policy, the completed Regularity Audit Questionnaire, the annual Internal Audit Report and Opinion, and the Audit Committee's Annual Report to the Board of Governors.
488. The Committee Chair reported the addition to the risk register of a risk that the College fails to identify, understand and /or respond to climate change potential threats and opportunities.
489. The Committee Chair also highlighted the first of the new 'deep dive' presentations on two of the risks in the Risk Register. The reviews of risk 6 (English and maths FE outcomes) and risk 12 (pandemic factors impacting on FE and HE teaching and learning) had assured the committee of the actions being taken by management.
490. The Board noted the committee's review of the proposed updates to the Whistleblowing (Duty to Act) Policy.
491. **Resolved** – that the updated Whistleblowing (Duty to Act) Policy be approved.
492. The Board noted that the committee had received substantial assurance from the internal auditors that the College had an adequate and effective framework for risk management, governance and internal control and that the report of the advisory review of Learner Number Systems had not raised any significant issues.
493. The Board noted the minutes of the committee's review of the post-audit management report prepared by Buzzacott and that the auditor's report was presented later in the Board agenda. The Committee Chair had no matters of concern to raise.
494. **Resolved** – that the Regulatory Audit self-assessment questionnaire be signed by the Chair of Governors and the Principal (Accounting Officer).

495. The Board noted the annual report of the Audit Committee and thanked the committee's members for their work during the previous year.

COLLEGE GROUP SUBSIDIARY COMPANIES

Andover Town Football Club Limited (ATFC)

496. The Board had received the minutes of the meeting of the ATFC Board of Directors of 12 November 2021 and noted the Directors' Report and Financial Statements for the year ended 31 July 2021.
497. The Board noted that the small surplus at year end 2020-21 would be gift aided (less £1.00) to the College and the Principal explained the Director of Finance had offered a session with one of the external directors to explain the accounts and how the College supported the club's operation and activities to seek to reassure him about the reasons for gift-aiding the profits.

Sparsholt College Services Limited (SCS)

498. The Board had received the minutes of the meeting of the SCS Board of Directors of 23 November 2021 and noted the Directors' Report and Financial Statements for the year ended 31 July 2021.
499. The Board noted that the SCS Board had agreed to gift aid all profits (except £1.00) from 2020-21 to the College as shareholder.

Westley Enterprises Limited (Westley)

500. The Board had received for information the minutes of the meeting of the Board of Directors of Westley held on 23 November 2021 and the approved Directors' Report and Financial Statements for the year ended 31 July 2021.
501. The Principal noted that, following the review undertaken a few years previously, the Director of Finance had received recent advice about the tax and other implications of the College's commercial activities which had confirmed that there was a continuing need for Westley to operate as a subsidiary company.
502. The Board noted that the small surplus from 2020-21 would be gift aided (excluding £1.00) to the College.

FINANCE

Management Accounts

503. The Board had received the latest monthly management accounts (to 31 October 2021), including an update on the in-year financial position 2021-22 and cash flow forecast to July 2023.
504. The Director of Finance summarised key headlines, noting that, although the October accounts indicated a positive end of year variation forecast, energy costs were likely to be higher than budgeted. Meetings with key budget holders were underway and had not highlighted any significant issues with the budget at this point, although there were some risks around farm costs.
505. The Board noted the update and had no issues to raise at this early point of the year.

Going Concern

506. The Board had received the report of the Director of Finance providing information to inform the Board's decision as to whether the College Group was a going concern.
507. The Board noted that the College Group annual financial statements had been prepared on a going concern basis and considered the matters covered by the report, including in relation to cash flow forecasts, the 2021-22 budget, student enrolments, bank loans and covenants, and assets.
508. The Director of Finance confirmed that the covenants were forecast to be met in 2021-22 with sufficient contingency to cover any new Covid-19 lockdowns.
509. **Resolved** – that the Board was content to confirm that the College Group was a going concern.

External Auditors' Report

510. The Board had received the external auditor's (Buzzacott's) post-audit management report and noted that Buzzacott expected to give clear opinions on the financial statements and regularity audits.
511. Board members had been invited to attend the Audit Committee meeting to be present when the Buzzacott partner discussed the report with the committee. The Chair of Governors and another external governor had attended the Audit Committee meeting. The report had been considered in detail and there were no concerns identified which the auditor partner, the committee or the Chair of Governors considered required the audit partner to attend the Board meeting as well, but members were invited to raise any questions or comments.
512. The Director of Finance confirmed that the matters before the Board completed the 'outstanding items' listed in the report at the time of writing and that the report would then be finalised for submission to the ESFA.
513. The Board was satisfied to receive the report and note the auditor's opinion.

Annual Report and Financial Statements

514. The Board had received the Annual Report and Financial Statements for the year ended 31 July 2021, together with the letter of representation.
515. The Director of Finance confirmed that changes to the annual report requested following scrutiny by the Audit Committee and Resources Committed had been actioned and commended the Finance team for their work in producing a clear set of accounts.
516. The 2020-21 year end outturn (before FRS 102 staff pension costs, actuarial pension loss and swaps movement) was £381k, significantly exceeding the original deficit budget. After the FRS 102 staff pension adjustments, the College Group's statutory financial result was a deficit of £1,364k.
517. The Director of Finance confirmed that, based on projections in July, an ESFA financial health rating of 'Outstanding' for the 2020-21 accounts and 2021-22 budget. The audit had confirmed compliance with the bank covenants for 2020-21.
518. **Resolved** – that the letter of representation on behalf of the College and that the Annual Report and Consolidated Financial Statements for the year ended 31 July 2021 be approved and signed.

CURRICULUM, EMPLOYERS & MARKET REQUIREMENTS COMMITTEE

519. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers Market Requirements Committee (CEMR) held on 21 October 2021, together with the committee’s annual business plan.
520. The Committee Chair drew the attention of the Board to the discussions about the outcome of the EM3 colleges’ Skills Accelerator: Strategy Development Fund application and the requirements of the Local Skills Improvement Plan to match training with employers’ skills needs within the local area.
521. The Principal reported discussions with Ofsted to recognise that land-based colleges should be measured for delivering regional and national skills needs, as well as local needs, because of the specialist curriculum and residential provision.
522. The Committee Chair welcomed the introduction by the College of Industry Curriculum Boards to work with employers to shape the curriculum, noting that outcomes would be reported to the committee termly. Governors had received a ‘bitesize briefing’ on the Industry Curriculum Boards in advance of the Board meeting.
523. The Board also noted good progress reported in preparing for the delivery of T Levels and on the HE Access and Participation Plan targets, and that the committee had approved the 2021-22 marketing strategic objectives and operating plan as being in line with the College’s strategic objectives.
524. The Board noted the consideration by the committee and the Chair of Governors of an approach from Hampshire County Council (HCC) to ascertain whether the College would be able to extend its Foundation level provision for learners with more complex needs to provide an alternative progression route for 16/17-year-old school leavers. A response was required before the Board meeting. Having been reassured about the mitigations which would be put in place to manage the potential risks of the College not being able to meet the learners’ needs, the committee had endorsed the proposal to introduce a complex needs offer from 2023, with £550k funding support from the HCC, as being in line with the College’s educational mission.

QUALITY & STANDARDS COMMITTEE

525. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee (Q&S) held on 25 November 2021, together with the committee’s annual business plan and the latest Prevent risk assessment.
526. C Wilson presented the report of the meeting on behalf of the Committee Chair who was absent, highlighting the committee’s consideration of the FE SAR and QIP, as reported earlier in the meeting, and the preparations for T Levels from a quality and standards perspective.
527. The Board noted the review of HE quality and performance which had included the main outcomes from the 2020-21 annual Standards and Quality Evaluative Review (ASQER) together with consideration of the results of National Students Survey (NSS).
528. The Vice Principal and Dean of HE reported recent guidance issued by the Government to the Office for Students (OfS) on access and participation and, that ahead of new requirements for access and participation plans being confirmed by the OfS, the publication of guidance for the 2020-21 monitoring reports had been postponed.

529. The Board noted that the Prevent Duty Risk Assessment & Action Plan had been reviewed by the committee, as well as by the Wellbeing Committee, and that the committees had been content that adequate controls were in place and further actions had been planned appropriately.
530. The Board considered the updated policies recommended by the committee and agreed a further change to the FE Freedom of Speech Code of Practice to require that the Board be notified as soon as was practicable of a decision to prohibit a contentious meeting.
531. **Resolved** – that the following revised policies be approved:
- a. FE & Apprenticeships Admissions Policy
 - b. FE & HE Academic Conflicts of Interest Policy
 - c. FE Fitness to Study Policy
 - d. FE Freedom of Speech Code of Practice, with the further amendment.

RESOURCES COMMITTEE

532. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 18 November 2021 (Parts I and II), together with the Substance Use and Misuse Policy (Staff), the updated Sustainability Strategy and the updated Environmental Policy.
533. The Chair of Governors highlighted the committee's consideration of the SLT's proposals in relation to staff remuneration, noting that, while the committee had accepted the two-part award to ensure affordability, it was important how the decisions were communicated to staff to avoid a false expectation of an annual payment each December.
534. **Resolved** – that the following be approved:
- a) all spinal salary points be increased by £700 from 1 January 2022 and a one-off payment of £300 per FTE (pro-rated for part-time staff) be made to staff in the December 2021 salary payment.
 - b) the incremental review date for staff paid on the business support scale be brought forward on an ongoing basis from 1 April to 1 January to align with other College Group staff and managers.
 - c) Scale 3 point 12 be amended from £9.00 per hour to £9.18 per hour.
 - d) the annual salaries on the salary scales be divisible by 3 for payroll purposes.
535. The Board noted the committee's consideration of other matters not covered elsewhere on the Board agenda.
536. **Resolved** – that the following be approved:
- a. Substance Use and Misuse Policy (Staff)
 - b. Sustainability Strategy
 - c. Environmental Policy
537. **Resolved** – that the number of Recruitment Attraction Payments that the Principal & Chief Executive was authorised to approve in any one year for the College Group be increased from 5 to 10.

GOVERNORS' PROPERTY STRATEGY WORKING GROUP

538. The Board had received the notes of the Property Strategy Working Group meeting held on 4 November 2021. Matters covered by the notes had been discussed under previous agenda items.

WELLBEING COMMITTEE

539. The Board had received the unconfirmed minutes of the Wellbeing Committee held on 23 November 2021, which covered equality & diversity, health & safety and safeguarding (including Prevent). The minutes included a summary of activity reported through the Safeguarding Working Group.
540. The Principal summarised key matters considered by the committee, highlighting the actions being taken in relation to reporting of health & safety incidences and fire risk assessments, and providing additional assurance about the approach to prioritising fire risk assessments in response to a member's question.
541. The Principal also highlighted the updates on safeguarding and wellbeing matters, noting that the College had appointed from within the College an experienced replacement Wellbeing Co-ordinator for Andover College.
542. The Board noted that the Equality & Diversity Working Group had been titled to include Inclusivity and was reviewing its remit and work.
543. The Principal explained the recommendation that the Director of Finance postholder no longer be required to be a member of the committee given changes to the reporting line of the Premises team.
544. **Resolved** – that the membership of the Wellbeing Committee be revised to omit the Director of Finance.
545. The SLT EDI Lead (the Vice Principal Curriculum (Andover)) reported the further review which had been undertaken to finalise the updated Single Equality Scheme after feedback at the October Board meeting about ensuring that the protected characteristics were accurately and consistently described in the scheme.
546. It was also proposed to add a second intended aim to the scheme in relation to the diversity of the Board of Governors, introducing a new aspiration for the governing body to have a similar representation of race as the College community, in addition to the aspiration for a similar gender mix.
547. **Resolved** – that the proposals in relation to the revised Single Equality Scheme 2020-24 be approved and that the scheme be finalised by the Vice Principal Curriculum (Andover) for publication.

GOVERNANCE

Written Resolutions and Chair of Governors' Approvals

548. The Board had received the report of the Clerk to the Corporation on Written Resolutions and Chair of Governors' approvals since the October meeting. There had been no written resolutions. The Chair had approved the following matters:
- a. Insurance claim handling (an interim decision required prior to a further update at this meeting).

- b. Signatories to NatWest bank loan amendment agreement as a variation to the resolution of the Board in July (minute 261/21) to delegate approval to the Chair of Governors and Principal to sign amended loan agreements (letters of variation) with Barclays, Lloyds and Nat West banks in relation to the cessation of LIBOR. NatWest subsequently confirmed that the bank required signatories who were also signatories of the bank mandate. The Chair approved the Principal and Finance Manager to sign the NatWest variation.
 - c. FE Academic Conflicts of Interest Policy (new interim policy, superseded by the FE and HE policy approved at this meeting).
 - d. Final version of the updated H&S Policy (Staff) approved by the Chair and Principal under authority delegated by the Board at its meeting in October.
 - e. Reassignment of a land lease from Farley Nursery School Ltd to Storal Learning Ltd.
 - f. Updates to the IT policy to comply with Cyber Essentials accreditation requirements.
549. In relation to (b) above, the Director of Finance reported that both Lloyds and Barclays banks had now confirmed that they did not require a variation to their loan agreements in relation to the cessation of LIBOR.
550. There were no questions or comments arising from the report.

Governance Update

551. The Board had received the report of the Clerk to the Corporation updating on governance matters, including in relation to the draft guidance from the DfE on governance reforms set out in the Skills for Jobs White Paper.
552. The Board had received the revised AOC Code of Good Governance (September 2021) and noted that the Clerk and SLT had already started referring to the requirements of the new code in reviewing and planning governance matters.
553. **Resolved** – that the revised AOC Code of Good Governance for English Colleges (September 2021) be adopted.
554. The Board had received proposed revisions to the terms of reference of the Curriculum, Employers & Market Requirements, Quality & Standards, and Resources committees. These followed reviews undertaken by the committees in the summer term and confirmation of the requirements of the revised Code of Good Governance.
555. **Resolved** – that the following be approved:
- a. Revised terms of reference of the Curriculum, Employers & Market Requirements Committee
 - b. Revised terms of reference of the Quality & Standards Committee
 - c. Revised terms of reference of the Resources Committee
556. **Resolved** – that staff and student members withdraw from the remainder of the meeting.
557. Confidential matters were recorded separately.
558. The meeting ended at 1.00 pm.