

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 9 December 2022 at 9.00 am
at Sparsholt College

¹PRESENT: J Emm (SCS) (to minute 498); G Davies (E); T Floyd (E); N Hopkins (E, Chair); P Jordan (E); J Lander (E); M Lauder (E, Co-Vice Chair); J Milburn (P); N Moody (E); S Morgan (E); G Morris (St); A Neal (E); J Orłowski (St); C Wilson (E, Co-Vice Chair).

In attendance: S Grant – Deputy Principal (to minute 513)
N Heslop - Director of Finance (to minute 513)
D Mernagh – Vice Principal and Dean of Higher Education (to minute 498)
B Stokes – Vice Principal Curriculum (Andover College) (to minute 498)
M Treagust – Vice Principal Curriculum (Sparsholt College) (until minute 498)
S Willson, Head of Corporate Governance

APOLOGIES

387. Apologies were received from C McCormack, H Perry and S Rai.

DECLARATION OF INTERESTS

388. 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

389. **Resolved** – that the minutes of the meeting held on 9 October 2022 (Parts 1 and 2) be confirmed.

390. Sparsholt College history (minute 2926/22): The Chair congratulated J Lander on publication of his book 'A Place of Transformation: The History of Sparsholt College from 1899'.

391. Property (minute 305/22): the Deputy Principal confirmed that she had met with the Chief Executive of Winchester City Council and would be arranging to discuss with the planning team the possibility of affordable housing being developed on the Sparsholt College estate as part of the Local Plan.

392. It was noted that the resolutions of the Board had been enacted and that 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

393. The Board had received and noted the report of the Chair which summarised activities he had undertaken since the October 2022 meeting of the Board and forthcoming events and matters requiring his consideration.
394. The Chair reported on his attendance at the Landex conference and welcomed confirmation of the Office for Students (OfS) capital grant for the development of a new HE building.

BOARD PERFORMANCE REVIEW

395. The Board had received the report of the Head of Corporate Governance to inform the Board's performance effectiveness review for 2021-22 and planning for an external performance review. The item had been extended from the October Board meeting to allow more time for consideration.
396. The report provided feedback received from governors via two online surveys, summaries of the key outcomes of evaluation activities during the year, external security, the performance of the College as a whole, and feedback from the SLT, and presented a draft action plan for review and approval.
397. The Board considered the feedback and actions arising under five main themes: Responding to regulatory/governance developments; Strategic vision, performance and risk; Composition, skills and behaviours; Governance structures and meetings.
398. In discussion, members recognised that the range of the responsibilities of a college governing body and the scope of the strategic and compliance activities of the College presented an ongoing challenge for college governance in terms of prioritising time, managing agendas and volume of papers. It was recognised that there had been improvements in the focus and succinctness of management papers and members welcomed the use of summaries and appendices. While the review concluded that the Board's use of committees remained effective, it was acknowledged that there was a careful balance to be maintained between avoiding duplicating the work of the committees at Board meetings and ensuring that all members were sufficiently informed to support their collective responsibilities.
399. The Board was satisfied that its overall performance remained effective and that policies and processes were in place to support continuous improvement and responsiveness to new demands.
400. **Resolved** – that the Board Performance Action Plan be agreed, with the addition of an objective to diversify the membership of the Board and with timescales to be added for prioritisation and monitoring by the Governance & Search Committee.

PRINCIPAL'S REPORT AND STRATEGIC PLAN

401. The Board had received the report of the Principal summarising key developments at the College since the previous meeting of the Board, and progress against strategic objectives for 2022-23.
402. The Principal drew the Board's attention to a number of key points in her report, noting the event held by the College in November with representation from the Chambers of Commerce, County Councils, the EM3 Local Enterprise Partnership and governors and senior leadership from colleges in Central/North Hampshire and Surrey to support a

future collaborative approach to reviewing skills provision within the region. Other skills related updates noted in discussion were the progress in developing the Local Skills Improvement Plan, including collection and analysis of data which would inform curriculum planning, and the shortlisting of the college and its partners for an AOC Beacon Award for Engagement with Employers.

403. The Principal reported the eligibility for Wave 5 of the T Level Capital funding applications, explaining that management was assessing submission of one/two bids for Building Facility Improvement Grants in Business Administration and Legal, Finance and Accounting (with a minimum project investment of £250k per T Level route and an expectation of 50% match funding by the College). The Board noted that the deadline for bids was 3 February 2023 and approval would be required ahead of then.
404. The Board discussed the ONS's (Office for National Statistics's) decision to reclassify colleges (and their subsidiaries) into the Central Government sector. Key points noted by the Board included that the College was required to comply with Central Government financial and accounting requirements, including seeking approvals for certain matters, but that there was no immediate action required in relation to the College's current banking arrangements or insurance. Members sought further information about and discussed the position in relation to VAT, central buying, leases and asset sales, and noted that the insolvency regime remained in place. It was confirmed that relevant policies and processes would be reviewed as more information and guidance became available.
405. The Board noted that DfE would be distributing capital grant funding in spring 2023 and had also announced some new capital funding which was intended to prioritise energy efficiencies. The Principal had drawn the local MP's attention to the fact that the formula-based funding did not take into account the size, complexity or condition of the College's estate which would require more significant investment to deliver substantial new energy efficiencies.
406. The Principal provided an update on employer relations, noting that the pay proposals had been presented to the ICE (Informing & Consulting Employees) Group and that UCU were considering the proposals.
407. Members discussed the high-level summary of the staff survey results, noting that the detailed results analysis and follow-up actions had been reviewed by the Resources Committee. There followed a discussion about the impact of staff sickness absence and how this was managed to prevent an impact on student success. It was noted the Andover FE Student Council had provided positive feedback about how work was set and covered in the event of staff absence and that special cover arrangements had been put in place on the Sparsholt campus where needed. The HE Student Governor and the FE Student Governor (Sparsholt) both expressed positive experiences about the way teaching and learning was arranged when a member of staff was absent.
408. In relation to T Levels planning and delivery, the Principal provided additional information about collaboration with the Hampshire Healthcare Trust and the University of Winchester to provide progression routes for students undertaking the T Level in Adult Nursing. It was also noted that the detailed planning for the Sparsholt campus T Level project was progressing and the Principal confirmed that S Morgan would be invited to attend progress meetings on the new land-based facilities.

409. The Board noted the positive outcome in relation to delivering industry work placements in 2021-22 and the progress achieved to date in 2022-23. It was not anticipated there would be any financial claw back. However, it was also noted that the postponement of commencement of some land-based T Levels from September 2023 to September 2024 would create additional budget pressures for supporting work placements as the capacity fund was being withdrawn.
410. The HE Student Governor raised a query about the way in which work placements were timetabled for HE students and the Deputy Principal undertook to follow this up outside of the meeting.
411. The Principal reported that Ofsted would be undertaking a thematic review of the College's T levels transition programmes in February/March as part of their wider activity for the DfE. While this would not result in a formal judgement, feedback on the process could be shared with the Quality & Standards Committee.

HEALTHCHECK REPORT

412. The Board had received and reviewed the latest Healthcheck report (2022-Issue 07).
413. At the suggestion of a member, the Principal agreed that staff vacancy levels be added to data on staff turnover and sickness in future Healthcheck reports.

QUALITY & LEARNER EXPERIENCE

414. The Board had received the FE Self-Assessment Report (SAR) for 2021-22 and FE Quality Improvement Plan (QIP) for 2022-23, both of which had previously been reviewed in detail and were recommended by the Quality & Standards Committee.
415. The Vice Principal Curriculum (Andover) summarised the SAR assessment and validation process and the key outcomes. The SAR included comparisons with both 2018-19 achievements rates, the last year when external assessments had taken place, and 2020-21 achievement rates.
416. The College had self-assessed its overall effectiveness as 'good' with 'outstanding' features. Grades for 'Quality of Education' and 'Leadership & Management' had been maintained as 'good'. However 'Behaviours & Attitudes' and 'Personal Development' had been strengthened to 'outstanding'. Qualifications where outcomes for learners required improvement in 2020-21 had seen substantial improvements due to robust scrutiny and targeted strategies. There remained small pockets of provision which required improvement, including English and Maths, and these had been placed under enhanced scrutiny for 2022-23. It was noted that operational action plans were presented to the Board alongside the Quality & Standards Committee minutes to evidence the actions being taken.
417. The Chair of the Quality & Standards Committee commended the continuing development of the SAR process and the transparency of the evidence base and analysis, confirming that the committee had agreed that the judgements were well-founded.
418. Members discussed the analysis, in particular in relation to English and Maths outcomes which, while recognised as being a challenge across the sector, were a key factor in student progression and destinations and therefore a continuing priority for the College.
419. The Vice Principal Curriculum (Sparsholt) explained that English and Maths, apprenticeships and attendance were common challenges for colleges and that

management was looking at innovative actions and the sharing of ideas to improve outcomes.

420. **Resolved** – that the FE Self-Assessment Report 2021-22 and associated FE Quality Improvement Plan 2022-23 be approved as appropriate and supportive of driving further improvements in FE in the College.

AUDIT AND RISK MANAGEMENT

421. The Board had received the unconfirmed minutes of the Audit Committee meeting held on 15 November 2022, together with the latest Risk Register Heat Map the completed Regularity Audit Questionnaire, the annual Internal Audit Report and Opinion, and the Audit Committee’s Annual Report.
422. The Committee Chair highlighted the outcome of the internal and external auditors’ reports, together with the assurance received by the committee from the management deep dive presentations on risk 5 (learner enrolments and income) and risk 14 (strategic relationships).
423. The Board noted that the committee had received reasonable assurance from the internal auditors that the College had an adequate and effective framework for risk management, governance and internal control. The internal audit report on Wellbeing had been postponed for further review and was due to be presented at the March meeting.
424. 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, together with the management paper on going concern and the annual report and financial statements. The Committee Chair confirmed that no matters of concern were raised at the committee meeting by the auditors or committee members.
425. **Resolved** – that the Regulatory Audit self-assessment questionnaire be signed by the Chair of Governors and the Principal (Accounting Officer).

COLLEGE GROUP SUBSIDIARY COMPANIES

Andover Town Football Club Limited (ATFC)

426. The Board had received the minutes of the meeting of the ATFC Board of Directors of 11 November 2022 and noted the Directors’ Report and Financial Statements for the year ended 31 July 2022.
427. The Principal highlighted that Andover Town Football Club had won the Andover Inspiration Awards Sports Club 2022. The club had come sixth in the league in 2021-22 and was aiming for top five in 2022-23.
428. Responding to a member’s question, the Vice Principal Curriculum (Andover) confirmed that the majority of the repairs at the Portway Stadium caused by damage from Storm Eunice had been completed.
429. The Board noted that the small surplus at year end 2021-22 would be gift aided (less £1.00) to the College.

Sparsholt College Services Limited (SCS)

430. The Board had received the minutes of the meeting of the SCS Board of Directors of 22 November 2022 and noted the Directors’ Report and Financial Statements for the year ended 31 July 2022.

431. The Board noted that the SCS Board had agreed to gift aid all profits (except £1.00) from 2021-22 to the College as shareholder.
432. The Board had also received the notes of the meeting held on 27 September 2022 by College and SCS officers reviewing the provision of services by SCS. The review had commended the SCS teams for a continuing high level of service delivery, noting a number of external reviews and audits had validated the work of the teams, and recognising that retention and recruitment of staff continued to be a key challenge in several areas.
433. **Resolved** – that the College’s review of the provision of services by SCS be held annually in the Autumn term prior to review of the annual accounts.

Westley Enterprises Limited (Westley)

434. The Board had received for information the minutes of the meeting of the Board of Directors of Westley held on 22 November 2022 and the approved Directors’ Report and Financial Statements for the year ended 31 July 2022.
435. The Principal noted that commercial income had started to recover from the impact caused by the pandemic. The Director of Finance explained the electricity capacity issue which was limiting use of the dog kennels during colder months and the actions being taken to resolve this.
436. The Board noted that the small surplus from 2021-22 would be gift aided (excluding £1.00) to the College.
437. The Head of Corporate Governance confirmed that the directors of the three subsidiary companies would be informed about the ONS change of classification of colleges and their subsidiaries.

FINANCE

Management Accounts

438. The Board had received the latest monthly management accounts (to 31 October 2022), including an update on the in-year financial position 2022-23 and cash flow forecast to July 2024, together with the latest ESFA financial dashboard for governors.
439. The Director of Finance highlighted the changes to cash management in order to take advantage of higher interest rates, following discussions at Resources Committee, noting that some of the College’s current cash reserves were time limited as they related to funding received for capital projects.
440. The Director of Finance also drew the Board’s attention to variances in the income and expenditure budget and explained that the forecast sought to balance the risks and opportunities, for example lower expenditure due to staff vacancies but inflationary cost pressures, particularly in relation to utility costs.
441. Members sought and received assurance about the financial and other impacts of the staff vacancies, including the lack of availability of agency staff, and how these were being managed to avoid disruption to the student experience and to support managers and staff.
442. Responding to a member’s question, the Director of Finance explained that the reduction in members of the Local Government and Teachers pension schemes was a result of staff

vacancies and of new business support staff joining Sparsholt College Services Limited on the NEST pension scheme.

443. It was noted that the cash reserves held from previous property sales would be allocated to new capital projects and that this would be confirmed to the Resources Committee.
444. The Board reviewed the ESFA financial health dashboard, noting that the analysis was based on the financial return submitted in July 2022 and that the College's financial health rating in 2023-24 was likely to be affected by the significant rise in energy costs.
445. In answer to a member's enquiry, the Director of Finance provided additional context to the ESFA's analysis of the College's borrowing and debt service cover ratio trend, confirming that this was not a concern.
446. It noted that, as previously reported, members were able to access the dashboard direct on the DfE online portal should they wish to do so, and the Head of Corporate Governance undertook to recirculate the access information.

Going Concern

447. 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.
448. 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 2022-23 budget, student enrolments, bank loans and covenants, and assets.
449. The Director of Finance confirmed that the bank loan covenants had been confirmed by the auditors to be met in 2021-22 and were forecast to be met in 2022-23.
450. **Resolved** – that the Board was content to confirm that the College Group was a going concern.

External Auditors' Report

451. The Board had received the external auditor's (Buzacott's) post-audit management report and noted that Buzacott expected to give clear opinions on the financial statements and regularity audits.
452. The report had been considered in detail at the Audit Committee meeting attended by the audit partner and it was noted that no concerns had been identified which the auditor partner or the committee considered required the audit partner to attend the Board meeting. The Chair of the Audit Committee also confirmed that no concerns had been raised by the auditors in the private discussion, without management present, at the meeting.
453. The Director of Finance explained the audit adjustment which had resulted from the auditors requesting that the Local Government Pension Scheme liability be revalued to taken into account up-to-date inflationary assumptions.
454. The Director of Finance also reported that the financial statements had been updated to include a post balance sheet event note about the ONS decision to reclassify colleges to the central government sector, as agreed with the auditors.
455. The Board was satisfied to receive the report and note the auditor's opinion.

Annual Report and Financial Statements

456. The Board had received the Annual Report and Financial Statements for the year ended 31 July 2022, together with the letter of representation and a commentary from the Director of Finance.
457. The Director of Finance confirmed that the minor changes to the annual report requested following scrutiny by the Audit Committee and Resources Committee had been actioned.
458. The 2021-22 year end outturn (before FRS 102 staff pension costs, actuarial pension loss and swaps movement) was £41k, in line with the forecast outturn but below the budgeted surplus. The College Group's statutory financial result was a deficit of £1,788k, after the FRS 102 staff pension adjustments, and a total comprehensive income gain of £15,887k after actuarial pension adjustments and swap movements.
459. **Resolved** – that the letter of representation on behalf of the College be approved and signed by the Chair of Governors and that the Annual Report and Consolidated Financial Statements for the year ended 31 July 2022 be approved and signed by the Chair of Governors and Principal.

CURRICULUM, EMPLOYERS & MARKET REQUIREMENTS COMMITTEE

460. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers Market Requirements Committee (CEMR) held on 20 October 2022, together with the committee's annual business plan.
461. The Committee Chair explained the proposal to change the name of the committee to better reflect its remit in relation to meeting skills needs and engagement with a range of stakeholders.
462. **Resolved** – that the committee be renamed the Curriculum, Skills and Stakeholders Committee.
463. The Committee Chair drew the Board's attention to the review of HE student outcomes (2019/20 graduates) and the risks to the College of the lack of recognition in the survey of highly skilled roles and variations to graduate career routes in the land-based sector compared to other sectors.
464. The Board noted the committee had received a comprehensive report on the employer and wider stakeholder engagement which informed the development and delivery of the College's offer in order to meet the skills needs of employers and the local, regional and national economy. The committee had welcomed the breadth and depth of engagement.
465. The Board also noted the progress reported on preparing for T Level delivery on the Sparsholt campus from 2023-24, meeting the HE Access & Participation Plan targets, and the marketing operational plan priorities for 2022-23.

QUALITY & STANDARDS COMMITTEE

466. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee (Q&S) Parts 1 and 2 held on 24 November 2022, together with the committee's annual business plan, the latest Prevent risk assessment and operational action plans for Maths & English and Apprenticeships.
467. The minutes in relation to the SAR and QIP had been considered earlier in the agenda.

468. The Committee Chair highlighted the committee's continuing scrutiny of student attendance and punctuality and assurance given by management. Examples included actions taken to mitigate disruption to student bus services and new processes to improve punctuality through the use of QR code reporting to encourage student ownership and ensure consistency and monitoring of punctuality data reporting.
469. The Committee Chair highlighted challenge and scrutiny of the performance of English and Maths, responding to questions raised at the Board meeting in October and building on previous monitoring by the committee. The committee was satisfied by the continuing commitment of management to prioritise improvements in English and Maths outcomes and the recognition of the need for new approaches and actions to deliver this. The committee had recognised that the operational action plan provided a positive way forward but that raising attainment in English and Maths was a challenge across the sector.
470. The Committee Chair also reported the committee's scrutiny of the quality of apprenticeship delivery, in the context of the new apprenticeship accountability framework performance indicators and the operational action plan. It was noted that previous enhanced actions put in place by management, and overseen by the committee, to improve achievement in Game & Wildlife apprenticeship had been successful and the committee welcomed the approach being taken.
471. The Committee Chair also drew the Board's attention to the Prevent Duty Risk Assessment & Action Plan which had been reviewed by the committee, as well as by the Wellbeing Committee, and that the committees had been assured that adequate controls were in place and further actions had been planned appropriately.
472. Members discussed how Prevent was made relevant to students, noting the example of a module included in the ESports/Digital Design curriculum programme on online safety given the risks identified with online gaming.
473. Responding to a member's question seeking further information and assurance about the increase of Stage 3 learner conduct reviews due to unacceptable behaviour (Healthcheck Report), the Committee Chair reported discussions about changes to behaviour which appeared to be linked to the impact of the pandemic. It was noted that the actions taken demonstrated that high standards of behaviour were expected. The Principal provided examples of types of low-level behavioural issues experienced and actions being taken. It was also noted that the numbers reported could fluctuate if there were incidences of behaviour by a group being addressed.
474. The Board noted the committee's consideration of analysis in relation to the new Teaching Excellence Framework (TEF) and the endorsement by the committee of the SLT's recommendation that, taking into account a range of factors, it was not in the interests of the College to submit an application in 2023. The College would instead focus on communicating the strengths of its specialist HE offer through other mechanisms and the committee would continue to monitor the quality of teaching, the student experience and student outcomes, including in relation to TEF metrics.

RESOURCES COMMITTEE

475. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 17 November 2022 (Parts 1 and 2), together with the updated Staff Recruitment Policy.
476. The recommendation of the committee in relation to the annual report and financial statements had been considered earlier in the agenda. The Chair of Governors highlighted other key points from the meeting.
477. **Resolved** – that the updated Staff Recruitment Policy be approved subject to the outcome of consultation with the ICE Group.
478. **Resolved** - that the holiday payment calculation for less than 52-week members of staff be based on the same annual leave entitlement which a full year member of staff would receive.
479. The Board noted that the committee had considered the annual report on market supplements, honoraria and attraction payments and that there were no changes recommended to the process or approval limits.
480. A member sought further clarity about discussions at the committee meeting about initiating a review to assess the potential benefits and risks of offering more flexible salary and pension arrangements in response to challenges in recruitment and retention and the timescale for progressing this. The member reported his experience of similar arrangements in other sectors which had been successful and highlighted an example from another FE college which management had identified.
481. A discussion followed during which a range of questions and points were raised about the potential benefits and risks, including in relation to the impact on the different pension arrangements in place currently within the College Group and to employment law and other legal considerations. Members recognised that researching and developing proposals would be a substantial task and the Principal explained that sufficient resources were not available within the College to take this forward immediately.
482. In conclusion, the Chair of Governor noted that, while there was not yet a consensus as to whether this was a route the Board would wish to follow, the discussions to date indicated that further investigation was warranted. The timing and scoping of this was dependent on resources and the Principal would consider further and report to the Resources Committee and, subsequently, to the Board.

WELLBEING COMMITTEE

483. The Board had received the unconfirmed minutes of the Wellbeing Committee held on 8 November 2022, which covered equality & diversity, health & safety and safeguarding (including Prevent). The minutes included a summary of activity reported through the Safeguarding Working Group.
484. Substantial progress was noted in a number of key areas relating to health and safety management and controls.
485. The minutes reported the outcomes of the summer term learner survey in relation to learners feeling safe and responses in the staff survey to safeguarding arrangements being seen as effective. The vast majority of responses were positive, and any negative responses were followed up and addressed.

486. The minutes also reported awareness raising activities in relation to equality, diversity and inclusion and progress against the Health & Wellbeing strategy action plan.
487. **Resolved** – that the membership of the Wellbeing Committee be revised to include the Vice Principal & Dean of Higher Education.
488. **Resolved** – that the updated Work Placement Policy and Substance Use & Misuse Policy (Learners) be approved.

GOVERNANCE

Written Resolutions and Chair of Governors' Approvals

489. The Board had received the report of the Head of Corporate Governance on written resolutions by the Board and approvals by the Chair of Governors since the October meeting of the Board.
490. Further to the resolution at the October Board meeting (minute 223/22), the Board had agreed by written resolution proposals from the SLT in relation to staff pay awards which were subject to the consultation process underway.
491. The Board noted three approvals by the Chair of Governors:
- a) Approval of updates to the FE Bursary Policy 2022-23 to reflect greater financial needs of 19+ learners.
 - b) Approval of updates to the Fitness to Practice Policy for Veterinary Nurses in line with changes to the management structure and job titles.
 - c) Appointment of Jolene Orłowski as the HE Student Governor and a member of the Quality & Standards Committee from 28 November 2022 for the period of her enrolment at University Centre Sparsholt under authority delegated by the Board (minute 248/22).
492. The Board also noted that the Chair of Governors had been notified by the Director of Finance of the outcome of the electricity contract renewal procurement exercise which had been previously reported to the Board and the decision of the Principal, Deputy Principal and Director of Finance to agree the contract with an initial 3-month agreement (to align with the framework renewal date of 1st April) and then a 12-month agreement from 1st April 2023.

Governance Report

493. The Board had received the report of the Head of Corporate Governance updating on governance matters, including in relation to recent developments in the FE and HE regulatory environment and the Board's operations.
494. The Board noted the governance points in relation to the ONS reclassification of colleges and that guidance on the new Accountability Agreements was expected shortly.
495. The Board noted that the Office for Students (OfS) had now confirmed the revised Access & Participation Plan for 2023-24.
496. Members were content with plans for the Governors' Seminar programme in January.
497. Confidential matters were recorded separately.
498. The meeting ended at 1.00 pm.