

**SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
RESOURCES COMMITTEE
held on 16 November 2023 at 09:30
at Sparsholt College**

¹PRESENT J Emm (SCS S) (except minutes 160-167); T Floyd (E); N Hopkins (E) (Chair);
J Lander (E); J Milburn (P); A Neal (E); P Jordan (E).

In attendance: S Evans, Finance Manager (except minutes 160-167)
S Grant, Deputy Principal
S Cameron, Director of HR (minutes 123-131 & 156-167)
J Payne, Director of Estates (minutes 132 to 150)
N Heslop, Director of Finance
S Willson, Head of Corporate Governance

DECLARATION OF INTERESTS

92. 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 & MATTERS ARISING

93. **Resolved** – that the minutes of the meeting held on 15 June 2023 (Parts 1 and 2) be confirmed as a correct record.
94. FE fees and bursaries (min 90/23): In relation to the previous resolution of the committee 40(b)/23, the Deputy Principal reported that the ESFA had not consented to the proposal about the use of bursary funds and therefore this amendment would not be made to the FE bursary policy. The ESFA was updating its guidance.
95. T Levels (min 94/23): The Principal provided an update on qualification reforms and plans for the launch of occupational technical qualifications for 19+ learners from around 2026 and requests from the sector not to defund alternative technical qualifications in the meantime.
96. Industry Work Placements (min 95/23): The latest position regarding funding for work placements was reported.
97. Energy procurement (min 102/23): The Director of Finance confirmed the college had entered a flexible procurement contract for gas from April 2024 and a fixed price interim solution until then at a lower cost than the previous supply.
98. Capital funding (min 108/23): It was noted that the Wave 5 T Levels Capital Fund submission for Business and Finance at the Andover campus had been successful and progress was reported under the Capital Projects agenda item.

¹ (E) = External; (SCS S) = Sparsholt College Services Ltd Staff; P = Principal

99. Staff accommodation (min 133/23): The college had previously raised the matter of affordable housing for staff working in FE with Winchester City Council and Hampshire County Council but there was no indication of a solution in the short to medium term.
100. Local Skills Improvement Fund (min 134/23): The EM3 and Surrey colleges partnership, with Sparsholt College Hampshire as the project lead, had been awarded c£6m over two years to invest in the development of training and support for priority skills needs in the region.
101. The committee noted that the resolutions of the committee had been implemented and that there were no matters arising not covered elsewhere on the agenda.

HEALTHCHECK

102. The committee had received and reviewed the latest College Group Healthcheck Report (2023-07) and noted the majority of key performance indicators were positive.
103. The Principal provided an update on the latest FE and HE student enrolment numbers and explained that the number of adult enrolments was expected to increase and meet the college's funding allocation for 2023-24. The Principal also responded to queries in relation to enrolments on to T Level pathways.
104. Asked about the data tables for FE and HE learner attendance, the Principal explained changes to the attendance monitoring processes and the new methodology for the RAG rating of attendance data which would enable the Board to have enhanced oversight of progress.
105. Responding to a query from the learner conduct and performance data, the Principal confirmed that serious behaviour incidences had declined compared to the same period the previous year and that overall learner behaviour was good.

FINANCE

Management Accounts

106. The committee had received the latest College Group management accounts (to 30 September 2023) and the Director of Finance explained the key variations against budget year to date.
107. The Director of Finance reported that, further to discussions at the previous meeting, the college's treasury management had been reviewed with the aim of increasing income through higher interest rates while still having timely access to grant income which had been received for major capital project expenditure and being able to respond to other operational expenditure needs. A second aim was to return to ensuring that the maximum funds placed with any one organisation were beneath the £5m upper limit stipulated by the Financial Regulations which had been temporarily waived with Board approval from March 2023 due to the receipt of ESFA Condition Fund and Specialist Equipment Allocation monies.
108. The Director of Finance confirmed that cash was now being held in a new Barclays account with a 65-day notice period, as well as in the existing Nationwide 35-day notice account and instant access Handelsbanken account. The Barclays account delivered a good interest rate as well as having 'green' credentials and therefore also supported the college's strategic sustainability aims.
109. The committee endorsed the treasury management actions reported by the Director of Finance.

110. The committee also discussed forecast cash flow in relation to the planning of major capital project spend and to the impact on staff pay costs following implementation of the pay award and a potential future reduction in vacancy levels. It was also noted that the LSIF funding had not yet been included in the cash flow forecast. The funding was claimed retrospectively based on spend.
111. Questioned about the reported decrease in the number of TPS and LGPS pension scheme members who had made contributions in September compared to July, the Director of Finance explained that this was a timing issue relating to the inclusion of sessional staff in the July figures and did not indicate a decline in overall membership of the schemes.

ESFA Financial Dashboard

112. The committee had received the letter from the ESFA to the Principal as Accounting Officer of 3 November 2023 confirming the College's financial health grade for 2022-23 as Outstanding, following a review of the College's Financial Forecasting Return. The financial health grade for 2023-24 was Good, based on the original budget approved in July.

Annual Report and Financial Statements

113. The committee had received the report of the Director of Finance and the draft Annual Report and Financial Statements for the year ended 31 July 2023.
114. The Director of Finance reported that Buzzacott had presented the auditor's Post-audit Management Report to the Audit Committee and expected to give an unqualified audit opinion. The auditors required receipt of the public finance audit (PFA) findings to sign off the Annual Report and Financial Statements and the ESFA's auditors had been made aware of this requirement.
115. The Deputy Principal reported the status of the PFA to date and the matters to be resolved. There was a potential worst case scenario adjustment of £40k in relation to the 2022-23 ILR and this had been reflected in the latest funding return.
116. The committee noted the comparison of the management accounts end of year surplus and the statutory financial result loss for the year because of actuarial pension gain FRS102 adjustments and swaps movements. The outcomes in relation to bank loan covenants, the ESFA financial grade and going concern were also noted.
117. A small number of queries and minor corrections had been raised by Audit Committee and Resources Committee members and the resulting updated Annual Report and Financial Statements would be reviewed by the auditors prior to receipt by the Board.
118. **Resolved** – that the Board of Governors be recommended to approve the Annual Report and Financial Statements for the year ended 31 July 2023

CAPITAL EXPENDITURE

119. The committee had received the report of the Director of Finance and Finance Manager providing a statement of capital expenditure in 2022-23 and confirmation of processes to obtain value for money for review and assurance.
120. The committee noted the total capital expenditure during 2022/23, including major capital and grant funded projects, and that the college's general capital expenditure budget for

2022/23 had been underspent due to some timing and resourcing constraints and the rollover of some projects to 2023/24. There were no significant concerns identified from the analysis of capital expenditure.

121. The Principal reported that, at a recent AOC conference, colleges had raised with the DfE/ESFA the need for future funding planning to take into account the maintenance and replacement costs of the current investment in capital projects and specialist equipment and facilities. It was also noted that the college was making use of warranties where possible to provide protection.
122. The committee welcomed the clarity of the reporting on capital expenditure and the assurance provided.

HUMAN RESOURCES

123. The committee had received the report of the Principal and Director of Human Resources updating on Human Resources (HR) matters.
124. The committee noted the update on staff remuneration for 2022-23, including the confirmation by the auditors of the accrual for making the unconsolidated payment to staff in the November payroll and the eligibility criteria. It was noted that this was a one-off payment which had been enabled by the above budget financial performance in 2022-23 and should not be an expectation for future years.
125. The committee also noted the update on the 2023-24 pay award and related employee relations matters.
126. The committee reviewed the outcomes of the College Group staff survey conducted in June 2023 and related benchmarking data, noting that there had been a number of challenges for staff at the time, particularly in relation to the impact on workload of staff vacancies and the delay to implementation of the 2022-23 pay award while the consultation process was concluded. The slight increase in the overall satisfaction rating across the College Group was therefore positive, and helped to explain a decline in some areas. It was noted that the feedback was being followed up with cost centre managers and through 'You Said We Did' SLT member conversations with teams.
127. Responding to members' questions, the Principal and Director of HR provided additional information about staff vacancies and progress with recruitment in areas which had experience particular challenges. It was noted that the revised pay proposals for 2023-24 would help provide more competitive salaries in these areas.
128. The committee noted the update on staff engagement and support matters and the Staff Governor provided some feedback about the refurbishing of wellbeing spaces/staff rooms on each campus and the arrangements which some staff would find useful on the Andover campus.
129. The committee noted the summary of key employment legislation developments and the dates by which new requirements were due to come into effect. It was noted that management were awaiting legal advice for colleges on the recent announcements by the Government with regards to legislation to be introduced following the 'Harpur Trust v Brazel' case about holiday entitlement for less than 52-week staff.
130. The committee noted that, given the change of legislation from January 2024 following the

Retained EU Law (Revocation and Reform) Act 2023, and subject to consultation with ICE, arrangements for paying holiday pay to casual/sessional staff would be amended from the start of the 2024-25 financial year so that it is paid at the same time as payment claims.

131. The committee thanked the Director of Human Resources for a comprehensive report.

PROPERTY & SUSTAINABILITY

Property Strategy

132. The committee had received the report of the Principal on progress with delivering the Property Strategy to 2026-27, including the property investment matrix, together with a report commissioned from Fusion Project Management on updates to the strategy and progress since adoption.
133. The Principal highlighted areas of progress, noting that an update on major capital projects followed under the next agenda item. It was noted that the new Nursing and Digital Zones at the Andover campus were now fully operational as teaching spaces.
134. The committee also noted the progress of small works capital projects.
135. The Principal reported dialogue between the college and Test Valley Borough Council (TBVC) regarding progress with the redevelopment of Andover town centre and noted the intention to organise a campus visit and meeting in relation to the progress for governors in the Spring term.
136. The committee considered updates in relation to the anaerobic digester site and future provision of student accommodation.
137. The committee noted the overall positive progress made against priorities set in the Property Strategy.

Major Capital Projects

138. The committee had received the report of the Director of Estates providing assurance on delivery of major capital projects. This covered projects funded with the support of grants from the T Level Capital Fund, the Office for Students (OfS), and Hampshire County Council (HCC) in relation to 16+ SEND provision.
139. The committee noted the positive progress reported on major capital projects, including commencement of works on the new robotic dairy, agritech centre and associated farm projects on the Sparsholt campus, due to complete in May 2024.
140. The Principal summarised progress with the HE education centre project (OfS grant funded), noting that a planning decision was expected on 28 November on the 850m² building and that the outcome was also awaited of the college's bid to the EM3 LEP Future Fund for the additional funding. The LEP decision was expected towards the end of November. It was noted that, if the LEP funds were agreed, the grant agreement would be between the HCC and the college. As it would normally take some weeks to draw up and sign the agreement, this delay would undermine the ability of the contractors to deliver the project on time and the SLT was therefore recommending instructing the contractors to proceed with the necessary design and enabling works once planning permission was received and the LEP confirmed the funding.
141. The committee assessed the benefits and risks of proceeding with the project on this basis,

including the financial implications for the college if, for any reason, the additional LEP funding was not forthcoming. After careful consideration and taking into the account the strategic priority of delivering the new HE building, the benefits to the HE student experience of the design submitted for planning permission, the college's financial position, and assurance about the security of the Future Fund monies held by HCC, the committee agreed that it would be in the college's interests to proceed as proposed and noted that this decision might be required before the Board of Governors meeting on 8 December.

142. **Resolved** – that the Chair of Governors be recommended to approve on behalf of the Board of Governors (under the Chair's authority to take urgent action) the proposal to instruct the contractors to proceed with the 850m² building works on receipt of confirmation of planning permission and confirmation of the EM3 LEP Future Fund grant and that an update be provided by email to the committee.
143. The Principal and Deputy Principal reported the latest position in relation to planning permission being sought for the extension to the Future Skills Centre at the Andover campus to deliver T Levels in brickwork and joinery. The challenge continued to be the proposed removal of a specific tree on the site, even with the plans for a compensatory planting scheme. The continued delay to the project was putting at risk the T Level Capital Funding which required the grant to be spent by March 2024 and the ability to provide sufficient teaching space. There was a significant additional estimated cost for an alternative build design which would protect the tree. It was also reported that the tenders for the project, based on the original design, had come in over the original budget and value reengineering would be required to close the gap. In the event that the extension to the Future Skills Centre was undeliverable, the SLT was developing contingency plans for upgrading and adapting other teaching spaces.
144. The committee noted that the SLT intended to proceed with seeking a planning decision, on the understanding that this was likely to come with conditions in relation to protection of the tree, and to enter dialogue with the DfE to seek additional funding and an extension to the timetable due to unforeseen exceptional changes.
145. **Resolved** – that, depending on the outcomes of these actions and assessment of the project costs, the SLT make a recommendation to the Board of Governors if changes to the project were deemed necessary and that Board approval might be required to be sought via Chair's urgent action depending on timings.

Sustainability

146. The committee had received the report of the Principal on progress with the Sustainability Strategy, including the annual Streamlined Energy and Carbon Reporting (SECR) and utilities data monitoring, in order to review progress. This followed the annual report on delivery of the Sustainability Strategy to the Board in October (available on the college website).
147. The Principal highlighted the publication by the ETF of a Sustainability Toolkit to support governing bodies to address climate change as a strategic business issue and to take timely, positive and decisive action to drive a sustainability strategy. It was noted that the actions taken by the college to date already embedded the key steps set out in the toolkit. The toolkit

checklist for governors had been circulated with the report and consideration would be given to using this as part of the Board’s strategic oversight processes.

148. The Director of Estates summarised the SECR and utilities data monitoring outcomes, noting that there has been good progress with reducing total gross carbon emissions (pre offset). The use of the Sparsholt campus year-round, including summer school business, meant that efficiencies had to be found in alternative ways. The college continued to invest in building management systems with increased functionality to target interventions and improved use of solar energy through energy storage. Actions were also progressing targeted at reducing water usage through identifying and fixing water leaks in the old and extensive piping.
149. Members sought additional information about the reported methods for disposal of waste and the Director of Estates to confirm the practices of the waste contractor.
150. The committee welcomed the continued commitment evidenced to the Sustainability Strategy Action Plan for 2023/24 and improvements to utilities usage and reduction of emissions.

POLICIES

151. The committee had received the report of the Head of Corporate Governance on the review and updating of the College Group’s Freedom of Information (FOI) publication scheme.
152. The committee noted that the College Group continued to adopt the model publication scheme for FE colleges, with signposting and website links to available information under the prescribed classes of information.
153. **Resolved** – that the Board of Governors be recommended to approve the updated Freedom of Information Scheme.

SPARSHOLT COLLEGE SERVICES

154. The committee had received and noted the latest Sparsholt College Services Limited (SCS) management accounts (to 30 September 2023) for information.
155. The meeting ended at 12:10. Confidential items are recorded separately.

Approved: Resources Committee meeting 7 March 2024