

**SPARSHOLT COLLEGE HAMPSHIRE**  
**MINUTES OF THE MEETING OF THE**  
**RESOURCES COMMITTEE**  
**held on 7 March 2024 at 09:30**  
**at Andover College**

**<sup>1</sup>PRESENT** J Emm (SCS); T Floyd (E); N Hopkins (E) (Chair); J Milburn (P); A Neal (E);  
P Jordan (E).

In attendance: S Cameron, Director of HR (minutes 45 to 57)  
S Hermiston, Director of Information & Funding (minutes 34 to 44)  
J Payne, Director of Estates (minutes 58 to 75)  
N Heslop, Director of Finance  
S Willson, Head of Corporate Governance

#### **APOLOGIES**

1. Apologies were received from J Lander.

#### **DECLARATION OF INTERESTS**

2. 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**

3. **Resolved** – that the minutes of the meeting held on 16 November 2023 (Parts 1 and 2) be confirmed as a correct record.
4. Public finance audit (min 115/23): the draft audit reported had been provided in December and the college's external auditors had been content to sign off the annual report and financial statements on this basis. The ESFA's auditors had confirmed that the college had substantially met contract requirements on the use of funds. c£59k of funding errors had been identified in the report and the college was contesting £44k of this. The ESFA had been unable to indicate when a response would be received.
5. Property strategy (min 135/23): The regeneration manager at Test Valley Borough Council (TVBC) was due to meet with committee members and other governors after the meeting to provide an update on the Andover town regeneration project and a tour of the town centre development area.
6. Sustainability strategy (min 148/24): In relation to water usage controls, the Principal reported a major leak which had taken place at the Sparsholt campus in February, noting that the business continuity measures and resulting additional risk mitigation planning had been reported to the Audit Committee. Work to introduce a new pipework circuit to increase resilience and support future upgrades was estimated at c£100k.

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

7. The committee noted that the resolutions of the committee had been implemented and that there were no other matters arising not covered elsewhere on the agenda.
8. The committee had also received and noted the record of three written resolutions of the committee since the last meeting:
  - a) Tender waiver over £125k: purchase of a software, hardware and installation package from VISR Dynamics Ltd to create a Fully Immersive Learning Room at the Sparsholt campus funded by T Level Specialist Equipment Allocation (SEA) monies. Approved 22/11/23.
  - b) Tender waiver over £125k: purchase of equipment for the new Engineering T Level to be launched in September at the Andover campus from Tilgear, funded by T Level Specialist Equipment Allocation (SEA) monies. Approved 12/01/24.
  - c) Tender waiver over £125k: purchase of equipment and support from Innovation Agritech to create and operate a GrowFrame 350 for vertical farming at the Sparsholt campus funded by Local Skills Improvement Fund monies. Approved 19/02/24.
9. In relation to the vertical farming tender, it was noted that a member had given qualified support based on seeking further assurance about the ability of the supplier to deliver the order and support. Additional information had been provided to members on behalf of the Deputy Principal via email to provide assurance about the financial position of the supplier and the risk mitigations which had been identified. The committee noted the criticality of timing of the purchase in relation to the grant conditions and that one third of the cost would be paid before delivery, providing additional comfort.

## **HEALTHCHECK**

10. The committee had received and reviewed the latest College Group Healthcheck Report (2024- Issue 02)
11. The Principal confirmed that the shortfall in adult learner current enrolments compared to the funding allocation for 2023-24 was expected to be rectified during the year through planned courses and did not present a risk.
12. Members sought additional information about the reported recruitment to T Level for 2024-25. It was explained that the numbers only captured applicants who had specified a T Level at this point; these numbers were expected to increase as some other applicants at Level 3 would enrol on a T Level. The T Level funding rate was c£3k more and required additional delivery hours. The Principal confirmed the measures being taken to provide an alternative Level 3 or apprenticeship qualification for 19+ learners as they were excluded from T Level funding, which was a particular issue in Arboriculture & Forestry, Horticulture & Animal Management.
13. The committee noted the health and safety performance data and commended the actions taken in relation to a near miss accident in relation to a learner experiencing a medical related seizure.

## **FINANCE**

### Management Accounts

14. The committee had received and reviewed the latest College Group management accounts (to 31 January 2024).

15. The Director of Finance explained the key variations against budget year to date, noting the significant upside as a result of vacancy levels and other favourable operating and income variances. As a result, management would be accelerating and marginally increasing expenditure in some operational areas and proposed extending the budget for the T-level Wave 4 Construction building project (covered under a later agenda item).
16. The committee discussed the positive financial position for 2023-24 and latest sensitivity analysis. A member questioned whether there were also strategic priorities with revenue cost implications which could be advanced in order to support teaching and learning and delivery of the strategic plan objectives. It was noted that any new spend would need careful consideration in relation to the impact on future years given longer-term funding uncertainties.
17. The committee also noted the success to date of the dynamic purchasing model in place for electricity and queried whether there was flexibility to fix the costs at such point that market trends made this beneficial. The Director of Finance explained that the current contract was in place until April 2025 with 6 months' notice before the expiry date required,, and outlined the options available in the current agreement and from alternative suppliers. The committee endorsed the Director of Finance keeping options under review given the possible global politico-economic uncertainties.
18. The Director of Finance confirmed that the ESFA funding settlement for 2024-25 had been received and represented an increase in income year on year. Details would follow to the next meeting with the proposed budget. It was noted that part of the increase related to the temporary 10% higher funding for T Level programmes and that there were also additional costs associated with delivering T Levels.

#### ESFA Financial Assurance

19. The committee had received and reviewed the latest DfE College Governing Body Finance Dashboard (published December 2023). It was noted that the analysis was based on the original 2023-24 budget approved in July 2023 and did not therefore reflect the approved budget approved in October 2023.
20. Asked about his forecast for the ESFA financial health grade in 2023-24, the Director of Finance explained that this was likely to be 'good', or possibly 'outstanding', depending on decisions about expenditure during the remainder of the year.
21. The Principal reported that management had agreed to be involved in a ESFA project to provide guidance to colleges on financial management from the point of view of a land-based college which had maintained positive financial health.

#### Banking

22. The committee had received and reviewed the annual assurance report of the Director of Finance on banking arrangements, including loans and associated covenants.
23. The committee noted that the indications were that all eight covenants would be met on 31 July 2024 and was assured that the close monitoring of covenants as a key task which the Director of Finance, Finance Manager and College Principal routinely undertook.
24. The committee discussed the restrictions on private sector borrowing as a result of the reclassification of colleges as public sector and that a route for public sector borrowing

was still awaited. This placed constraints on the college's ability to invest in new developments and other options for funding were being researched.

### Financial Regulations

25. The committee had received and reviewed the report of the Director of Finance on the annual review of the College Group Financial Regulations which proposed:
  - the introduction of requirement for two governors to be authorised signatories of the principal current and savings accounts
  - changes to financial limits, including thresholds for delegated authorities, for operational practicality and to ensure alignment with market prices for goods and services
  - updates to job titles in line with the current management structure
26. Asked whether there were any underlying concerns regarding the proposed reduction of the limit for payment from petty cash, the Director of Finance assured the committee this was intended to deter the use of petty cash due to the administrative burden involved.
27. In relation to the proposal to add governors as authorised signatories on bank accounts, the Director of Finance reported the feedback from the Audit Committee which had reviewed the proposals. Members concurred with the feedback, in particular emphasising that it would only be expected to be necessary for governors to authorise banking business in extraordinary circumstances as governors would not normally undertake an operational role.
28. The committee queried the references to 'Senior Post Holders' in the Financial Regulations and it was confirmed that the Financial Regulations covered the College Group and therefore the reference included post holders appointed and designated by the Board of Governors and the Sparsholt College Services Ltd Board of Directors. These were currently the Principal, Deputy Principal and Director of Finance.
29. **Resolved** – that the Board of Governors be recommended to approve:
  - a) the updated Financial Regulations (with enhanced wording in the section on bank signatories to respond to the points made in discussion and by the Audit Committee
  - b) that travel mileage rates would be kept updated to align with HMRC approved mileage rates.

### FE Bursaries

30. The committee had received and reviewed the report of the Deputy Principal on FE bursary and support arrangements for the academic year 2024-25, noting that no changes were proposed to bursaries.
31. The household income thresholds which inform bursary eligibility had been increased for FE learners from 2023-24 for a two-year period and there was no further change proposed. Bursary support for HE learners would be held in line with the Access and Participation Plan and the income threshold would remain the same for 2024-25.
32. The committee noted that the transport fees for college arranged coaches were planned to increase by £30 per student and that the college's contribution to costs would increase to avoid a higher increase to students would be detrimental to recruitment.

33. The committee noted that residential fees were being revised to provide standardisation between FE and HE costs and to bring the HE Burma Road accommodation fees in line with the Sparsholt campus accommodation fees to encourage more take up for the Burma Road accommodation, in line with previous reports to the Board about HE accommodation challenges. This would also be supported by provision of a bus pass for the relevant route.

#### Curriculum Contribution Analysis

34. The committee had received and reviewed the annual report of the Director of Information & Funding on the College's curriculum contribution model analysis.
35. The Director of Information & Funding set out the key adjustments to the model this year, emphasising that the analysis was informed by the original College Group budget approved in July 2023 and explaining the impact of changes to funding rates for different curriculum areas and qualifications which had exacerbated some of the contribution differences.
36. The committee discussed the analysis, welcoming the oversight which it provided while also recognising the need to interpret the results in the wider funding/budget context and alongside consideration of other strategic factors.
37. The committee was assured by the Principal's assurance as to how the SLT used the analysis in curriculum, financial and strategic planning and also noted the related oversight of the curriculum plan by the Curriculum, Skills & Stakeholders Committee.
38. Members sought additional context about the factors underlying the performance of HE and of areas of learning at the Andover campus. The committee was assured that, although there were challenges in relation to HE fees not having been increased year on year and therefore a reliance on higher enrolments to increase funding, HE was anticipated to make an overall positive contribution going forward. In relation to Andover, it was noted that the actions taken to revise the A Level offer following the strategic review of provision in 2022-23 had been positive and that generally applications at Andover for 2024-25 were up year on year. It was also noted that, given the funding differentials, areas of learning with T Levels had the potential to make a greater contribution.
39. It was agreed that funding and curriculum contribution considerations would be a useful topic for a future 'brief bite' training session for governors.

#### **INFORMATION TECHNOLOGY**

40. The committee had received and reviewed the report of the Director of Information & Funding on updates to the IT Policy and the introduction of a new IT Strategy developed by the IT Manager.
41. It was noted that the IT Policy had been updated to add a new section on use of Generative Artificial Intelligence (AI) and to clarify and update other sections to ensure alignment with the IT Acceptable Use Policy.
42. The committee noted that management expected the section on AI would need to be kept under review in light of emerging guidance and practice in a fast-moving area. Responding to a member's question about the introduction of a private LLM, the Director of Information & Funding confirmed this was being researched carefully to ensure data security and other challenges were appropriately managed.
43. The IT Strategy set out how the College Group aimed to provide technological means to

support delivery of the strategy plan and a framework for continuous improvement in the provision of IT services. The committee highlighted that the AI Strategy and IT Strategy needed to be kept aligned.

44. **Resolved** – that the Board of Governors be recommended to approve the updated IT Policy and the new IT Strategy.

## HUMAN RESOURCES

### Human Resources

45. The committee had received and reviewed the report of the Principal and Director of Human Resources updating on Human Resources (HR) matters.
46. The committee discussed the progress report on staff recruitment, noting that there has been some progress in the number of applicants and the filling of vacancies, although there continued to be challenges.
47. The committee was assured that the current College Group salary scales complied with the statutory increases to the National Minimum Wage and National Living Wage from April 2024.
48. The committee noted the summary of forthcoming changes to employment legislation and the actions being taken to ensure compliance and considered the proposed updates to staff terms and conditions and policies as a result.
49. **Resolved** – that the Board of Governors be recommended to approve, subject to consultation with ICE and confirmation of legal advice/review:
- a) the calculation of holiday pay in hours rather than weeks for the relevant pay period for those less than 52-week staff (who received additional holiday pay as a result of the previous Supreme Court decision in Brazel v Harpur Trust) be implemented in January 2025 to lessen the financial impact on this category of staff;
  - b) ‘rolled-up’ holiday pay (ie paid on top of a staff member’s normal hourly rate at the time they perform the work rather than when on holiday) be implemented for casual/sessional staff from 01 August 2024 (the new financial and holiday year);
  - c) the updated Flexible Working Policy
  - d) the updated Parental Leave Policy (part of Family Friendly Policies);
  - e) the new Carer’s Leave Policy (to be added to the Family Friendly Policies).
50. The committee scrutinised the results of the Gender Pay Gap reporting comparing the 2023 and 2022 data, benchmarking data, and analysis of the breakdown of the data where the mean/median had increased. It was noted that the changes in data for management staff was a result of the small numbers of post holders and the impact mainly of changes in the gender of leavers/starters. The committee was assured that there had been no issues identified which suggested structural inequality in the College Group’s processes or unconscious bias in implementing them.
51. The committee reviewed the results of the staff mental wellbeing survey and noted for assurance the further work underway to support and enhance staff health and wellbeing.

52. The committee noted the programme of management development in respect of HR related matters.

### Pensions

53. The committee had received and reviewed the annual report of the Director of Finance and HR Manager on the College Group’s pension schemes and Local Government Pension Scheme (LGPS) Discretions Policy.
54. In relation to the increase in the Teachers’ Pension Scheme (TPS) employer contribution rate from 23.68% to 28.68% from 1 April 2024, the DfE had confirmed that the additional cost to colleges would be funded but had not yet confirmed the details. There was no change to the LGPS employer contribution rate of 21.6% as this had been set at the triennial review in 2022.
55. The committee noted the analysis of savings to the College Group through the pension arrangements for Sparsholt College Services Ltd which equated to c£82% of the projected savings since set up.
56. Responding to a member’s question as to review of performance of the NEST pension provider for Sparsholt College Services Ltd (SCS), the HR Director reported that there had been no issues with the service provided by NEST.
57. **Resolved** – that the Board of Governors be recommended to approve the Local Government Pension Scheme Discretions Policy with no changes.

## **PROPERTY & SUSTAINABILITY**

### Property Strategy

58. The committee had received and reviewed the report of the Principal on progress with delivering the Property Strategy to 2026-27, including the property investment matrix and a summary of small works capital projects.
59. The committee noted the assurance that compliance with the funding conditions of the different grants received was monitored by management.
60. The committee noted that the seven tenancy leases for the roof of buildings with PV panels on both campuses had been reassigned from the original lessee (Green Nation) to a new lessee (AIE Solar Limited), in line with terms of the leases.
61. The committee welcomed the overall significant positive progress made against priorities set in the Property Strategy and noted the developments to the investment matrix. The Principal provided an update on discussions with a potential commercial partner in relation to installation of an anaerobic digester.

### Major Capital Projects

62. The committee had received and reviewed the report of the Director of Estates providing assurance on delivery of major capital projects.
63. The Principal reported that the management had strengthened the project management resources for capital projects with the appointment of a new project manager in the Premises team, recognising the extent and strategic importance of the projects.
64. The committee noted positive progress with the Farm related capital projects, including:

- Good progress with the beef barn, dung midden and slurry lagoon phases; on programme to deliver for May 2024 and assurance given in relation to slurry management facilities and plans;
  - Works for the new milking parlour and robotic dairy progressing on programme, with some recent updates to the design accommodated to enhance the user experience for staff, students and commercial clients;
  - Herd management measures during the works and in relation to operation of the new robotic dairy, including temporary arrangements to ensure students still had access to livestock for teaching and learning;
  - The Agritech centre fully designed and out to tender, with the aim of reducing the overall cost of the project.
65. The committee welcomed confirmation by the DfE that the T Level capital grant funding for the expansion of the Construction centre on the Andover campus could be rolled into financial year 2024/25 due to delays caused by planning restrictions and in order to enable the college to meet demand for construction skills provision.
66. The committee noted the actions being taken to redesign and recast the project to ensure compliance with the planning and discussed the estimated additional funding of up to c£400k which would be required as a result. The DfE had indicated the grant would not be increased.
67. The Director of Finance confirmed that the additional costs were affordable given the forecast upside on budget for 2023-24 and the SLT recommending proceeding given the strategic importance of expanding the facilities.
68. **Resolved** – that the Construction building project continue to be redesigned, planned and a contractor procured on the basis of additional funding from college monies of c£400k in order to support curriculum provision in key skills at the Andover campus.
69. The committee noted the update on tender process and appointment of contractors for the HE centre project on the Sparsholt campus. The Director of Finance explained the contractor would require a letter of intent in order to proceed with initial works ahead of the building contract sum being confirmed and the contract signed in order to ensure that the project timescale was deliverable. The letter would be drawn up by the college’s professional advisors and would set a maximum spend of £350k and define the terms by which work would commence.
70. The Director of Finance provided assurance that the current estimated building and fit out costs were within the £4.9m agreed funding, although there may be some additional expenditure required in relation to specialist teaching and learning equipment.
71. The Director of Finance also updated the committee that a draft agreement with Hampshire County Council in relation to the EM3 LEP Future Fund grant element of the project funding had been received and there was no indication that this element of the funding was at risk. The majority of the project funding, from the Office for Students grant, had already been secured.
72. **Resolved** – the college consent to a letter of intent with Ascia Construction Ltd to proceed with the HE centre works in accordance with the agreed programme on the basis of

expenditure up to a maximum of £350k.

73. The committee noted the progress report on the SEND+16 project and that the programme was on course, although there were some pressures on the lead times for the new modular classrooms.

#### Sustainability

74. The committee had received and reviewed the report of the Principal on progress with the Sustainability Strategy which indicated overall good progress with delivering the action plan. There were no planned actions for the year yet to start.
75. The committee endorsed the proposed approach to developing a 'climate risk register' to cover each campus and to access and mitigate the risk of weather conditions and climate change to college operations. It was intended that this would inform the development of a costed action plan to inform the property strategy and estates maintenance plan. The initial climate risk register would be presented to the Audit and Resources committees for endorsement of the approach, added as a control to the College Group Strategic Risk Register and progress reported termly via the property strategy to the Resources Committee.

#### **SPARSHOLT COLLEGE SERVICES**

76. The committee had received and noted the latest Sparsholt College Services Limited (SCS) management accounts (to 31 January 2024) for information.
77. The meeting ended at 12:30.

***Approved: Resources Committee Meeting 20 June 2024***