

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
RESOURCES COMMITTEE
held on 21 November 2024 at 09:30
at the Sparsholt Campus

¹PRESENT J Emm (SCS) (to minute 220); T Floyd (E) (to minute 121); N Hopkins (E) (Chair); J Milburn (P); A Neal (E); N Shorter (E)

In attendance: S Grant, Chief Operating Officer(COO)
J Payne, Director of Estates (minutes 198 to 212)
N Heslop, Chief Financial Officer (CFO)
S Willson, Head of Corporate Governance

APOLOGIES

153. Apologies were received from P Jordan.

DECLARATION OF INTERESTS

154. 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

155. **Resolved** – that the minutes of the meeting held on 20 June 2024 (Parts 1 and 2) be confirmed as a correct record.

156. Property strategy – Andover campus (min 82/24): The college had hired some space at The Lights for use for delivering performing arts related courses on a short-term basis to free up teaching space on campus while the Andover Skills Centre extension was under construction.

157. Property strategy - vertical farming (min 84/24): The new vertical farming unit was confirmed to be installed and in operation. A launch event for the new facilities, alongside the new HE Science Centre, was being planned for later in the year.

158. Property strategy – HE building (85/24): The Office for Students (OfS) had selected the HE Science Centre capital grant for an audit by the OfS Funding Team. The OfS had reviewed the evidence of expenditure and confirmed that that all funding had been accounted for and there were no queries arising.

159. Property strategy – residential (89/24): Actions had been taken by management to relieve the pressure on FE and HE residential accommodation this year from increased enrolments, with one HE hall reallocated to FE over 18s accommodation and 45 HE students residing in the college's leased accommodation at Burma Road (University of Winchester), reportedly enjoying the off-campus experience.

160. IT resources (99/24): The new Deputy IT Manager was confirmed to be in post.

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

161. DfE Levelling Up Premium (109/24): Six members of eligible academic staff to date were confirmed to have applied to the DfE scheme for an additional payment.
162. Local Skills Improvement Fund (118/24): All bar one of the colleges in the LSIF partnership had delivered their LSIF funded projects, with March 2025 as the deadline for completion. As the lead college, the COO was keeping the DfE updated and would be able to reallocate any outstanding amount to an appropriate Sparsholt College Group project if required.
163. Green technology (120/24): The technologies for green skills training, match funded through the Winchester City Council UK Shared Prosperity Fund (to support tackling the climate emergency), had been installed.
164. 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.

HEALTHCHECK

165. The committee had received and reviewed the latest College Group Healthcheck Report (2024-25 - Issue 02).
166. The COO reported the latest application figures for 2025/26, alerting the committee to a decline in FE applications (at this point year on year) at the Sparsholt campus, although not in all curriculum areas, and summarising the additional actions being taken by management outside of Open Days.
167. The committee discussed the wider context of uncertainty regarding the government's review of qualification reforms and curriculum assessment review, and recent coverage about T Levels in the media. The Principal assured the committee that the T Level student experience at the college was excellent and the college remained committed to the qualifications. However, the fact that T Levels were not funded for 19+ learners was a contributing factor to the decline in applications in some curriculum areas and alternative offers were being provided where possible. It was also noted that the potential financial impact if enrolments declined could be partly mitigated by the higher funding level for T Levels.
168. The Staff Governor raised a number of questions about the report and the Principal provided additional information in relation to the staffing of the English and Maths team, actions being taken to manage outdoor smoking/vaping areas, and data on learner conduct and performance. The Staff Governor also welcomed the reduction in the number of staff vacancies.

FINANCE

Management Accounts

169. The committee had received and reviewed the latest College Group management accounts (to 30 September 2024).
170. The CFO highlighted the explanation of key variances between the budget and forecast and the latest sensitivity analysis which included the estimated financial impact of the UK budget announcement regarding the increase to the National Living Wage (NLW) and the changes to employers National Insurance (NI) from 1 April 2025.
171. It was noted that the Department of Education had confirmed there would be support for colleges for the increase in NI but that the extent (eligibility of College Group staff), mechanism (whether the support would cover total actual costs) and timing was not yet

known. The impact of the NLW and NI changes on the college’s subcontractors, supply chain (including student transport) and agency staff was also a financial risk factor.

172. Ahead of the annual report on pension schemes due to the next meeting of the committee, the CFO summarised the government’s proposals to merge Local Government Pension Scheme (LGPS) assets and reported the announcement that the DfE would provide a LGPS guarantee to Further Education (FE) bodies. The DfE guarantee would be taken into account at the next triennial valuation (2025, for contribution rates from April 2026) and would be likely to result in a small saving (estimated 2-4%) to the college as the college was already graded as a low risk. The DfE guarantee was not understood to automatically extend to subsidiary companies and the college would apply to DfE to cover Sparsholt College Services Ltd (SCS).

Financial Health

173. The committee had received the letter from the ESFA to the Principal as Accounting Officer of 4 November 2024 confirming the College’s financial health grade for 2023-24 as Outstanding, following a review of the College’s Financial Forecasting Return. The financial health grade for 2024-25 was Good, based on the budget.
174. The committee had also received and reviewed the latest DfE College Governing Body Finance Dashboard. There were no matters identified requiring further exploration.

Financial Statements

175. The committee had received the report of the CFO and the draft Annual Report and Financial Statements for the year ended 31 July 2024.
176. The CFO reported that Buzzacott had presented the external auditor’s Post-audit Management Report to the Audit Committee and expected to give an unqualified audit opinion. The report and financial statements complied with regulatory, funding and accountancy standards requirements.
177. The committee questioned the underlying factors for the FRS102 pension adjustments and swaps movements and was assured by the explanation provided by the CFO. The assurance in relation to bank loan covenants, the ESFA financial grade and going concern was also noted.
178. The committee noted that the Annual Report incorporated the College Group’s new strategic plan and an overview of performance, including investment in the college estate.
179. **Resolved** – that the Board of Governors be recommended to approve the Annual Report and Financial Statements for the year ended 31 July 2024.

Capital Expenditure

180. The committee had received and reviewed the report of the CFO and Head of Finance & Procurement providing a statement of capital expenditure in 2023-24 and confirmation of processes to obtain value for money in the acquisition of assets.
181. The committee noted the total capital expenditure during 2023-24, including major capital and grant funded projects, of £9.6m, as a result of significant capital grant funding. Of the total spend, the £0.9m funded by the college was below the capital expenditure budget and the committee was satisfied with the explanation for the underspend.

182. The CFO provided additional information in relation to members' questions about the process for the capitalisation of the assets and reasons for variation in spend on specific equipment.
183. The committee noted that there were no significant concerns identified from the analysis of capital expenditure and the impact of the capital expenditure was as planned.

HUMAN RESOURCES

184. The committee had received and reviewed the report of the Principal updating on Human Resources (HR) matters.
185. The Principal reported that the SLT was not in a position to make a recommendation on a staff pay award due to the current uncertainty of the financial impact of the changes to employers NI. The review would also need to take into account the increase in the National Living Wage and the impact of this on pay scales. The ambition remained to make an award in line with the budget but this was necessarily subject to affordability. If further information became available, the SLT would hope to present a recommendation at the December Board of Governors meeting.
186. The committee noted the risk that, as with other FE colleges (excluding multi academic trust sixth forms), there was the additional pressure on market rates for key teaching posts as a result of the 5.5% pay increase for schools funded by government. The Principal confirmed that the sector continued to lobby the DfE about this.
187. The committee reviewed the analysis of the outcome of the staff survey conducted in June 2024, noting the overall increase in satisfaction and decline in completion rates, and discussing the actions being taken by management as a result, including in relation to communication to staff about strategic and operational goals and performance.
188. The committee welcomed the positive trend of vacancies for all categories of staff declining month on month, supported by the investment in salary scales, although there were some specialist roles which remained hard to recruit.
189. The committee noted the introduction of the new positive legal obligation on employers to take reasonable steps to protect their workers from being sexually harassed at work (Worker Protection (Amendment of Equality Act 2010) Act 2023) and the management actions, to date and planned, to comply with the new requirements. This would include consulting the ICE Group.
190. The committee endorsed the introduction of a new Preventing Sexual Harassment Policy, noting that it would be kept under review whether to merge this policy with the Bullying & Harassment Policy at a future point.
191. The Head of Corporate Governance reported feedback on some of the wording of the policies from P Jordan in her absence and the committee agreed minor revisions to be made to the policies prior to presentation to the Board.
192. **Resolved** – that the Board of Governors be recommended to approve the:
 - a. Updated Bullying & Harassment Policy
 - b. New Preventing Sexual Harassment Policy
193. The committee noted the anticipated wide-ranging changes to employment rights set out in the government's Employment Rights Bill, and in other government announcements,

and that the impact of some of the anticipated changes would be potentially significant. The Principal confirmed that work on assessing and planning for the changes would commence in advance of the legislation being enacted.

194. The committee noted the three yearly cyclical review of three HR policies, with advice from the college's employment lawyers, and that the proposed updates were to comply with legal requirements and would be reported to the ICE Group.
195. **Resolved** – that the Board of Governors be recommended to approve the:
 - a. Updated Redundancy Policy
 - b. Updated Redeployment Policy
 - c. Updated Substance Use and Misuse Policy (for Staff)
196. The Principal reported that the changes to holiday pay as a result of changes to Working Time Regulations (as a consequence of the reversal of the Harper vs Brazel ruling) had led to some discontent among members of staff affected and explained the further communication activities being undertaken.
197. The committee noted examples of wider employee engagement activities, and that the college has signed up to the Attachment and Trauma Aware Schools (ATAS) Programme, with training planned over the next year in supporting learners who suffer with trauma or mental health problems and whose troubled behaviour acts as a barrier to learning.

PROPERTY & SUSTAINABILITY

Property Strategy

198. 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.
199. The Principal reported that, given the excellent progress in delivering the strategy and in the context of potential future capital funding mechanisms, management planned to bring forward the next iteration of the strategy and to engage the college's property consultants to assist with developing the strategy, with engagement from the Board at the May Governors' Seminar and approval sought at the October Board meeting. It was intended that the new strategy would encompass the upgrading of the college estate's infrastructure, as well as being informed by the farm and equine master plans.
200. Responding to a member's request that the considerations include the financial strategy for affording future capital expenditure, the Principal confirmed that financial risk appetite, cash management and sources of funding would be part of the Seminar discussions, although it was noted that there might not be complete clarity about public sector borrowing or grant allocations at that point.
201. In relation to the T Level Capital Transformation Fund, it was noted that the committee has received an update via email (11/10/24) on a request to the DfE to enhance the payment schedule for the capital grant for the Andover Skills Centre Extension to ensure progress on the build. Having consulted committee members, the Chair of Governors had approved additional expenditure of £138,555 identified as necessary following further costings and appointment of the contractors, bringing the total projected project value to £2.831m. The CFO confirmed that the DfE had agreed the new payment schedule and that, to mitigate

risk to the project, the Director of Estates had worked with the contractor in the meantime to agree a payment profile that would be manageable in the event that the DfE did not agree the changes.

202. The committee also noted updates in relation to delivery of projects funded by the:
- Local Skills Improvement Fund
 - Energy Efficiency Grant
 - FE Reclassification Capital
 - FE Capital Transformation Funding
203. The Director of Estates provided additional explanation of the Building Management System programme of works and the planned installation of more solar panels as part of the strategic actions to manage and reduce energy usage. The committee discussed the potential for introducing battery storage for solar power generated on the campus and noted further research was required to identify options which would be affordable and fit for purpose.

Major Capital Projects

204. The committee had received and reviewed the report of the Director of Estates providing assurance on delivery of major capital projects.
205. The Director of Estates confirmed completion in August of the Robotic Diary and the Beef Barn, Dung Midden and Slurry Lagoon phases of the overall Farm project and completion by October of the refurbishment and building of classrooms and a new independence hub for Foundation Learning.
206. The Director of Estates provided an update on progress with the HE Science Centre build, due to complete in December (with landscaping to complete in the New Year), emphasising the priority that had been given to accessibility of the new facilities for wheelchair users.
207. The Director of Estates explained an inspection undertaken by the Health & Safety Executive of the Andover Skills Centre Extension works and concerns raised about actions by a contractor (which had not required enforcement action) and noted that he had written to the HSE to confirm the college's role in undertaking its duties as the client.
208. The committee commended the excellent work by the Estates and Premises team, and others, in delivering an extensive programme of major capital projects in a relatively short timeframe.

Sustainability

209. The committee had received and reviewed the report of the Principal on progress with the Sustainability Strategy and action plan, together, including the annual Streamlined Energy and Carbon Reporting (SECR) and utilities data monitoring, in order to review progress.
210. The Principal reported that the college had been awarded the Tomorrow's Employees Award at the 2024 UK and Ireland Green Gown Awards for its role in delivering green skills, having also been nominated with its partners for the Creating Impact Award for the collaborative Equine Carbon Calculator. The Chair congratulated all those involved on behalf of the Board.

211. The committee discussed the SECR report in relation to the reduction of carbon emissions and the energy, water and waste data analysis. It was noted that the expansion of facilities and the increase in both commercial business in the summer and student and staff numbers presented challenges in reducing usage. A range of actions were set out in the sustainability strategy and new options being explored.
212. The committee welcomed the continued commitment to the Sustainability Strategy Action Plan for 2024/25.

SPARSHOLT COLLEGE SERVICES

213. The committee had received and noted the latest Sparsholt College Services Limited (SCS) management accounts (to 30 September 2024) for information. There were no matters to bring to the attention of the Board.
214. Confidential matters were recorded separately.
215. The meeting ended at 12:30.

Approved: Resources Committee meeting 20 March 2025