

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
RESOURCES COMMITTEE
held on 19 JUNE 2025 at 09:30
at the Sparsholt Campus

¹PRESENT J Emm (SCS) (except minute 155); T Floyd (E); 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 126 to 139)
N Heslop, Chief Financial Officer (CFO)
S Willson, Head of Corporate Governance (HCG)

APOLOGIES

77. Apologies were received from P Jordan.

DECLARATION OF INTERESTS

78. 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

79. **Resolved** – that the minutes of the meeting held on 20 March 2025 (Parts 1 and 2) be confirmed as a correct record.
80. Local Skills Improvement Fund (5/25): The COO confirmed the Annex G (compliance with grant funding conditions) audit of the project had been completed with no issues identified.
81. Financial management (15/25): The CFO confirmed that preparations were underway for the update to the FRS 102 accounting standard which would require a change to the way in which operating leases are classified for accounting purposes from 1 August 2026. Most of the college's leases were likely to be covered by the new requirements.
82. Student transport (27/25): The CFO confirmed that the tender exercise for college campus bus services from 1 August 2025 had been completed successfully, with a small increase in total costs but encompassing an additional bus route to provide an alternative to rail travel for students and consolidating the number of suppliers from 11 to 3 (Andover to be concluded).
83. Free school meals (28/25): The COO reported that clarification had now been received from the DfE confirming the guidance for eligibility for free school meals linked to timetabled hours at college. The college had implemented the necessary systems for reconciling free school meals with attendance, but this was complex given the land-based timetable and administratively burdensome.
84. Employers NI funding (41/25): The CFO reported that the DfE had confirmed funding in relation to the increase in the Employers NI rate to the college equivalent to 87% of the

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

increased costs, to be paid in September and covering the period until end March 2026. The funding position beyond then was not confirmed and presented a level of financial risk.

85. Local Government Pension Scheme (50/25): The CFO reported that the college had continued to seek a solution from the DfE which would enable the college and Sparsholt College Services Ltd to benefit from the government’s LGPS guarantee for colleges. The DfE had confirmed that the FE guarantee policy was currently being reviewed in relation to subsidiary arrangements and that the DfE wanted to ensure fairness to all colleges, recognising that a decision would be beneficial ahead of the next triennial valuation.
86. Sustainability (67/25): The Principal reported that the Salix public sector funding schemes had closed to new applications and therefore the college would not be able to apply for Salix funds to deliver its decarbonisation plan. The plan would be taken forward through the sustainability and property strategies dependent on affordability.
87. 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

88. The committee had received and reviewed the latest College Group Healthcheck Report (2024-25 - Issue 08), noting the mainly positive KPIs and discussing the positive T Level enrolment numbers for 2024-25.
89. The Principal provided some context for the quality of education KPIs for student attendance and the committee noted that the attendance data and student survey outcomes would be scrutinised by the Quality & Standards Committee.
90. A member noted that the health and safety data suggested that there was still underreporting of ‘near misses’. The Principal confirmed that the Wellbeing Committee was overseeing the delivery of actions to address this, with training planned for staff to identify ‘near misses’ and understand the importance of reporting these and a new reporting system to enable easier and more timely reporting. The member emphasised that simple to use reporting systems on mobile devices were effective and acknowledged that changing the culture took time. The Staff Governor welcomed the plans to give staff examples of the type of incidents which should be recorded as a near miss.

FINANCE

Management Accounts

91. The committee had received and reviewed the latest College Group management accounts (to 28 April 2025), together with the latest DfE financial health assessment and notification of updated DfE financial benchmarks.
92. The CFO drew the committee’s attention to key recent developments, noting that the I&E forecast did not yet include the additional DfE one-off ‘Post-16 Budget Grant’ for April to July 2025 but that this would be accounted for within the 2024-25 financial year on the advice of the auditors. This funding will be allocated initially to the shortfall in national insurance funding and to in-year spending to support the college’s strategic objectives, including significant enhancements to Wifi coverage for the benefit of teaching and the wider student experience and other infrastructure improvements.
93. Given the timing of the grant late in the year, the remainder would strengthen the college’s financial position in order to support 2025-26 budget priorities, including in relation to staff pay.

94. The committee noted that the cash position was reasonably healthy and would improve in June with the receipt of DfE grant income (including the FE Estate Condition Allocation (capital grant)). Operating expenses were greater than budgeted due to some key areas of investment in college estate maintenance and safety and in strategic projects, including the equine facilities master plan and establishment of the vineyard.
95. The CFO proposed that the college repay the remainder (c£75k) of its loan with Lloyds bank, incurring a small early repayment fee, to save the additional interest which would be payable and to avoid the need to revise the bank loan covenant in light of the impact of the changes to accounting of leases. This was affordable in year given the higher than budgeted surplus forecast. The amount was below the expenditure threshold requiring the approval of the committee but would represent a change in the college's banking arrangements and therefore the view of the committee was sought.
96. **Resolved** – that the committee endorse the early repayment in full of the Lloyds bank loan.
97. The committee noted the letter from the DfE to the Principal of 28 April 2025, confirming the College's financial health grade for 2023-24 as Outstanding following a review of the College's audited financial statements.
98. The committee also received and discussed the FE Commissioner's (FEC's) letter of 11 June 2025 setting out changes to the FEC's financial benchmarks for colleges - cash days in hand from 25 at year end to 40 days for every month of the year and Sector EBITDA to % of adjusted income >6%. The staff pay as a % of income measure remained at 65% for GFE colleges (informal target of 55% for land-based colleges) and the CFO explained that both measures were relevant to the college because of the Andover campus and GFE curriculum.
99. The CFO confirmed that the management accounts would be updated with changes from May and noted that the new cash days in hand metric was the same as agreed by the Board in March for the college's Financial Reserves Policy.

Budget & Financial Forecast

100. The committee had received and reviewed the draft income and expenditure (I&E) budget for 2025-26 and high-level forecast for the following year, together with the key budgeting assumptions, a summary of changes in the staff costs budget, an assessment of compliance with bank loan covenants, a sensitivity analysis, a cash flow forecast, and a summary of operational capital expenditure.
101. The CFO explained the process undertaken to develop the budget and highlighted key income and expenditure projections. The committee welcome the recognition by the DfE through the funding cost weighting for land-based programmes of the additional transport and other operational costs for land-based colleges and commended the role of Landex in representing land-based colleges to the DfE.
102. In discussion, members sought further information about the approach to controlling expenditure on energy costs and the CFO explained the dynamic purchasing contract in place, noting that the budget was based on the energy broker's insights. The CFO undertook to follow up points made by members about inflationary pressures in the international energy markets with the broker as part of management of the contract.
103. Members raised a number of questions probing the planned expenditure in relation to staff costs, investment in new facilities, operational capital expenditure and the longer-

term financial outlook to satisfy themselves that the level of the budgeted surplus for 2025-26 was appropriate.

104. Members were assured by the responses of the Principal and CFO that the budget planning supported delivery of the Strategic Plan objectives and included some flexibility for contingency spend. Members also recognised that uncertainties about a range of funding and other income beyond 2025-26 required a level of prudence and noted the key financial assumptions for the 2026/27 forecast.
105. The CFO summarised the approach to the staff costs budget for 2025/26 and assumptions in relation to a staff pay award which would be subject to an affordability assessment in the Autumn term and consultation.
106. The CFO also confirmed that the budget included a 28% increase for spend on planned and reactive maintenance of the estate and that there was flexibility to revise the priority operational capital expenditure projects during the year if required.
107. **Resolved** – that the Board of Governors be recommended to approve:
 - a. A budget for 2025/26 with a surplus of £1.226m before FRS 102 pension charges or credits.
 - b. A high-level forecast for 2026/27 before FRS 102 pension charges or credits showing a surplus of £0.738m.
 - c. An operational capital spend allocation of £1.7 million for 2025/26 and £1.6m for 2026/27, fully funded by the college.

Tender waivers

108. The committee had received and reviewed the annual report of the CFO and Procurement & Insurance Officer on the tender waivers process for assurance of compliance with the Financial Regulations and achievement of value for money.
109. It was noted that there had been 15 waivers from April 2024 to March 2025 (26 in the previous year) authorised by the Principal and/or CFO and these were summarised in the report for the committee's scrutiny.
110. Under the authority defined by the Financial Regulations, the committee was asked to approve a tender waiver for specialist agriculture supplier arrangements which would be likely to be required for the following year above £150k.
111. **Resolved** – that tender waivers be approved for the Farm Animal Feed: Pig & Dairy Feed annual pricing exercise.
112. It was noted that under the public procurement regulations (PA2023) direct awards would be made for the Exam Awarding Bodies fees which amounted to c£1.2m per annum.

Modern Slavery

113. The committee had received and reviewed the report of the CFO and Head of Finance & Procurement on compliance with the Modern Slavery Act 2015 requirements.
114. The committee noted that the college would fall in scope of the requirement to produce an annual modern slavery statement from 31 July as the college's income in 2024-25 was forecast to be above the £39m minimum threshold. The statement would require the approval of the Board of Governors and to be published within six months of the end of the college's financial year.

115. The CFO stressed that the college had always operated responsible employment and procurement practices and that education is not deemed by the government to be a high risk sector. However, it was proposed to take further measures to assess the risks of modern slavery in the college’s supply chain, identify any areas of potential high risk, and take proportionate actions to mitigate these.
116. The committee endorsed this approach and noted that the actions would be reported in the modern slavery statement to be presented to the committee for review and the Board for approval alongside the annual accounts and financial statements.

HUMAN RESOURCES

117. The committee had received and reviewed the report of the Principal updating on Human Resources (HR) matters, together with HR policies.
118. The committee noted the progress report on staff resourcing, acknowledging the improved position in relation to vacancies and welcoming the appointment of a new Farm Manager and the successful application of 19 members of staff to the DfE’s levelling up premium payments for FE teachers scheme.
119. The committee noted implementation of the pay award for 2024/25 and the Principal reported the UCU’s ‘New Deal for FE’ consultation for 2025/26.
120. The committee noted the update on anticipated changes to employment legislation, including as a result of the Employment Rights Bill and new rights for paternity leave for bereaved partners due to come into force at a date to be confirmed.
121. The committee considered the review of the Staff Code of Conduct and Disciplinary Policy and the combined Conflicts of Interest, Anti-Bribery, and Gifts & Hospitality Policy.
122. The Principal explained that it was proposed to withdraw the Staff Charter, which had previously been issued in a document with the Staff Code of Conduct, and subsume this in the new People Strategy (to be developed).
123. The Principal also explained that further minor amendments might be necessary to the new/revised policies following publication of the Office for Students regulatory advice on freedom of speech and to align with the new University Centre Sparsholt Prevention of Harassment and Sexual Misconduct (Students) Policy.
124. **Resolved** – that the Board of Governors be recommended to approve the:
 - a. Staff Code of Conduct (and withdrawal of the Staff Charter)
 - b. Conflicts of Interest, Anti-Bribery, and Gifts & Hospitality Policy
 - c. Disciplinary Policy & Procedures
125. The committee noted the update on management development activities and that the annual Staff Survey was being conducted in June and an analysis of the outcomes and actions arising would be reported to the committee in November.

PROPERTY & SUSTAINABILITY

Property Strategy

126. 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.
127. The committee noted that a separate report on major capital projects was not required as

all but one of the projects had completed. The final project, the Andover Future Skills Centre extension, was on track to complete in July and open to learners in September.

128. The Director of Estates gave a detailed verbal report on a number of small works capital projects and responded to members' questions in relation to the accessibility of buildings and use of personal evacuation plans.
129. The COO reported to the committee that the college had applied to the Winchester City Council allocation of the UK Shared Prosperity Fund for £70k to support installation of photovoltaic panels & batteries to capture solar power generated the Farm Dairy Building.
130. The committee commended the positive progress across a range of infrastructure, facility development and maintenance projects, including improvements to standard and flexibility of staff accommodation to support recruitment and college operational requirements. The committee was also pleased to note active engagement with Winchester City Council on future plans for the campus.
131. Responding to feedback from a member's recent Governor Link Visit, the Director of Estates confirmed that consideration was being given to low cost solutions to providing more accessible storage for Protective Services equipment.
132. The Director of Estates also reported to the committee approval from Winchester City Council to reroute the public footpath through the outer parts of the Sparsholt campus so that it no longer cut through the middle of the campus, improving the safety of students while still enabling use of the footpath by the public. This would require some new fencing and gates and the new route would be required to be inspected and approved once in place.
133. In relation to the funding of the new Property Strategy under development, the Director of Estates reported to the committee the FE Condition Data Collection by Rider Levett Bucknell (RLB) surveyors had commenced on the Andover campus, with further surveys scheduled in July of the Andover campus and in September of the Sparsholt campus. The Director of Estates emphasised the need to seek to capture the condition of the wider infrastructure (eg water treatment plants, boiler rooms, stores) as well as the main buildings.
134. The committee is to note the overall significant progress made against priorities set in the Property Strategy and that the new strategy, taking on board feedback from the Governors' Seminar in May, would be presented to the Board in October.

Sustainability

135. The committee had received and reviewed the report of the Principal on progress with the Sustainability Strategy and action plan, including the strategic objectives for 2025-26.
136. The committee noted that significant progress had been made towards planned initiatives with 55% of actions now complete and a further 35% with good progress. The three remaining actions were longer term and would be carried forward into next year.
137. The committee reviewed the updated Sustainability Strategy with the new actions which the college would seek to deliver during 2025-26 ahead of republication on the college's website. The Principal highlighted actions capturing feedback from the review of the Sustainability Strategy at the Governors' Seminar in January 2025.
138. Members sought additional information about the action to review the condition of trees on both campuses and were assured that the replacement programme to maintain and

diversify the tree stock would support the college’s sustainability objectives and ensure the safety of the college community. The college also had a Code of Practice in place to ensure the safe management of trees, which including undertaking risk assessments.

139. **Resolved** – that the updated Sustainability Strategy be endorsed as evidencing the college’s continued commitment to the sustainability and journey to net-zero carbon emissions.

COMMITTEE PERFORMANCE REVIEW

140. The committee had received the report of the HCG providing supporting information for the committee to review its performance in 2024-25 and terms of reference.
141. It was noted that enhancements to the college’s governance and financial controls identified in last year’s review of compliance with the DfE College Financial Handbook had been implemented, including updates to the Financial Regulations and the introduction of a Financial Reserves Policy overseen by the committee.
142. The committee’s terms of reference had been reviewed by the HCG and updated in relation to the current governance framework, with the addition of references to security, reserves and modern slavery, and rewritten for clarity.
143. **Resolved** – that the Board of Governors be recommended to approve the revised terms of reference of the Resources Committee.
144. **Resolved** – that the committee’s 2025-26 business plan be approved.
145. The committee discussed its membership, noting that two members were due to step down in July and December at the end of their terms of office as governors and the HCG confirmed that succession planning overseen by the Governance & Search Committee included the planned recruitment of relevant skill sets to support the effective operation of the committee going forward.
146. The committee was satisfied to report to the Board that it continued to undertake its activities in line with its terms of reference and business plan and that management reporting responded to in-year developments in relation to the external policy/ funding environment supporting the effective operation of the committee.
147. The Chair noted that it was T Floyd’s final meeting prior to the end of his term of office as a governor and recorded the gratitude of the committee for his contributions to its work.

SPARSHOLT COLLEGE SERVICES

148. The committee had received and noted the latest Sparsholt College Services Limited (SCS) management accounts (to 30 April 2025) for information.
149. Confidential matters were recorded separately.
150. The meeting ended at 12:30.

Approved: Resources Committee Meeting 21 November 2025