SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
RESOURCES COMMITTEE
held on 12 March 2026 at 09:30
at the Sparsholt Campus

[1]**PRESENT**	R Bunting (E) (from minute 26); J Emm (SCS); N Hopkins (E) (Chair); J Milburn (P); P Jordan (E); N Shorter (E)
In attendance:	S Grant, Chief Operating Officer (COO) E Illman, Interim Head of HR (minutes 43 to 51) J Payne, Director of Estates (minutes 56 to 63) N Heslop, Chief Financial Officer (CFO) S Willson, Head of Corporate Governance (HCG)

WELCOME & MEMBERSHIP

1. The Chair welcomed attendees to the meeting.
2. The committee noted that newly appointed governor R Bunting had joined the committee and that a vacancy for an external governor remained.

DECLARATION OF INTERESTS

3. No interests were declared in relation to items on the agenda.
4. The Board's Register of Interests records members who hold (unremunerated) directorships of the college's subsidiary companies.

MINUTES & MATTERS ARISING

5. **Resolved –** that the minutes of the meeting held on 21 November 2025 (Parts 1 and 2) be confirmed as a correct record with the date of the meeting corrected.
6. Free School Meals (159/25): The COO confirmed the outcome of discussions with the DfE regarding free school meals, confirming that a revised internal process had been implemented to ensure full compliance with the clarified requirements.
7. Property Strategy (163/25): The COO confirmed the college had complied with the conditions of the £30k grant from Winchester City Council's allocation of the UK Shared Prosperity Fund and reported that the college had also been awarded a £90k grant from the Rural England Prosperity Fund (via Winchester City Council) to support investment in agri-tech, with expenditure required by 31 March 2026.
8. The Principal updated the committee on the DfE's forthcoming capital conditions funding allocation process, noting disappointment that the condition of the college estate would not be a determining factor in the allocation.
9. Income & Expenditure (171/25): The CFO reported that, while milk prices had fallen, income levels remained above budget due to improved yields.
10. Management Accounts (172/25): The CFO confirmed that the revised management accounts format had now been introduced.

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

11. Employment Policies (190/25): The Principal advised that work was underway to develop a new probation policy in response to changes to employment legislation. The policy would be presented to the committee at its next meeting.

12. The committee noted that all previous resolutions had been implemented and that there were no further matters arising not covered elsewhere on the agenda.

HEALTHCHECK

13. The committee reviewed the College Group Healthcheck Report (2025-26 - Issue 06).

14. Members noted the alerts relating to application numbers for HE and A Level pathways, while also acknowledging that overall FE applications were higher than at the same point the previous year. The Principal confirmed that resulting actions had been considered by both the Curriculum, Skills & Stakeholders Committee and the Audit Committee.

15. The committee also noted the positive impact initiatives to promote a strong health and safety 'near misses' reporting culture. Management was introducing a process for categorising and monitoring the severity of the incidents to support prioritisation of actions to maintain and improve safety across the college community.

FINANCE

Management Accounts

16. The committee reviewed the College Group management accounts to 31 January 2026, including key variances, sensitivities and the cash flow forecast.

17. The committee noted all FE Commissioner (FEC) financial benchmarks were met except for the adjusted current ratio, which continued to move towards the DfE benchmark. The CFO provided additional context drawing on previous detailed discussions.

18. In response to members' questions on the minimum cash days in hand benchmark (40 days), the CFO explained the basis of the calculation in the public sector, confirming the calculation was based on unrestricted funds and, for the college's purposes, this included cash held in a 60 day notice account which would be accessible in an emergency (albeit potentially with charges).

19. The CFO also provided assurance about the current level of bad debt provision and the financial controls in place, noting that the debt levels would reduce in February as part of the normal annual cycle of receipts.

20. The committee discussed key external developments affecting financial planning, including:

- The economic risks arising from the conflict in the Middle East and the potential impact on energy, fuel & associated costs.
- The planned changes to the high needs funding formula from 2029-30 as part of the SEND reforms which would need to be reflected in future staffing planning.

Financial Reserves & Banking Arrangements

21. The committee considered the CFO's annual review of the Financial Reserves Policy and banking arrangements.

22. The committee noted a proposed minor amendment to update the reference to the FEC's benchmark for cash days in hand, which had been increased in June 2025 from >25 days to >40 days. The committee noted that the College already operated to a minimum free reserves level

of at least 40 days.

23. **Resolved** – that, under delegated authority from the Board, the updated reference to the FEC benchmark in the Financial Reserves Policy be approved.

24. The committee noted the ongoing monitoring of bank covenants relating to the college's two commercial loans and received assurance that all covenants were expected to be met at year-end.

25. The CFO briefed the committee on forthcoming changes to the FRS 102 accounting standard (effective from 1 August 2026) which would introduce revised accounting treatments for leases. The CFO reported active engagement with the college's lenders to ensure that the implications for loan covenants were understood and managed and noted that the DfE was reviewing the financial health assessment criteria in light of the change. The committee also noted that the new finance system being introduced by the college included lease-accounting functionality which would improve visibility of the impact.

<u>Financial Regulations</u>

26. The committee considered the CFO's annual review of the College Group Financial Regulations, including delegated financial authorities.

27. The CFO highlighted that the proposed updates ensured continued alignment and compliance with relevant regulatory and legislative requirements, including the Public Procurement Act 2023, and appropriate levels of financial delegations to support the college to operate effectively and safeguard its assets.

28. In response to members' questions, the CFO provided clarification in several areas, including:

    - The reduction of the petty cash limit to minimise cash handling, with support to be provided to affected teams.
    - That staff expenses mileage rates followed HMRC rates and would be amended, and the Financial Regulations re-issued, if HMRC increases the rates.
    - The wording on financial key performance indicators, which had been drawn from the DfE College Financial Handbook. In light of members' feedback, the CFO agreed to review the text to clarify the approach to selecting and monitoring these indicators.
    - That the section on the retention of financial records would be further amended for clarity to refer to the college's retention schedule.
    - That the college's insurers did not require to be notified about staff dismissals unless linked to employment tribunal claim.
    - His judgement of the materiality of an inventory discrepancy was based on the type of inventory and the financial impact to the college.

29. **Resolved –** to recommend to Board approval of the amended Financial Regulations subject to the further amendment of sections 2.1.1 and 3.4.1.

<u>Curriculum Contribution</u>

30. The committee received and reviewed the annual FE and HE curriculum contribution analysis report presented by the Director of Information & Funding. The report provided assurance on the financial efficiency of curriculum delivery and on related management actions.

31. The Director of Information & Funding outlined the key factors within the contribution model, the adjustments from the 2024-25 year, and the headline outcomes.

32. Members discussed the findings, seeking additional detail about the underlying factors, strategic context and year-on-year shifts in performance.

33. The committee recognised the model was a viable tool for management in assessing the financial contribution of individual curriculum areas and to inform strategic planning by helping the college to understand the impact of funding and recruitment variations, changes to the cost base, and use of facilities.

34. In response to members' questions, the Principal outlined for the committee's assurance the processes and criteria used by management to assess the viability and delivery of individual courses. This included discussion at Vice Principal and Assistant Principal level to consider recruitment trends, financial efficiency, quality indicators and skills needs to ensure a sustainable and high-quality curriculum offer.

<u>Student Bursaries & Support</u>

35. The committee received the COO's review of student bursaries and support arrangements for 2026-27, together with the proposed FE Bursary Policy.

36. The COO confirmed the college's bursary arrangements were fully compliant with DfE and Office for Students (OfS) funding rules.

37. The COO highlighted the arrangements which fall within the college' discretion and explained the rational in relation to:

    - The eligibility thresholds for family income in relation to the FE bursaries
    - The decision to top up the Free College Meals daily allowance from the discretionary bursary fund
    - The charges for college transport services and the extend of the college's contribution
    - The charges for campus learner accommodation charges,

38. Members noted the high level of support and sought confirmation that, in addition to the formal policy, this was communicated to learners and prospective learners in a clear and accessible way. The COO confirmed this, providing examples communication mechanisms used to ensure learners are aware of the support available.

39. In response to a question about financial support for care leavers, the COO explained that, while the DfE did not provide separate bursary allocation for this group, care leavers typically meet the FE bursaries eligibility threshold on the basis of family income. The college also provides a range of non-financial support for care leavers and for young carers, including those living in residential accommodation.

40. The committee noted the increased level of transport costs directly funded by the college and discussed the pressure on suppliers should fuel prices increase significantly due to the conflict in the Middle East. Member sought clarification on contract terms and the COO assured the committee that management would seek to minimise any additional costs while maintaining the continuity of transport services for students.

41. The committee noted no changes were proposed to the HE bursaries set out in the University Centre Sparsholt Access & Participation Plan.

42. **Resolved** – to recommend to the Board approval of the FE Bursary Policy 2026-27.

HUMAN RESOURCES

Human Resources

43. The committee reviewed the report from the Principal and Interim Head of HR providing an update on HR matters, including the annual Gender Pay Gap analysis and recommended updates to HR policies.

44. The Principal presented proposed amendments to the College Group pay scales, explaining the review of posts being undertaken by management and confirming that the proposed changes would be delivered within the approved 2025-26 staff costs budget. Members also received assurance about the strategic rationale for the changes and the benchmarking undertaken. It was further noted that the updated pay scales complied with the increased National Living Wage (NLW) and National Minimum Wage (NMW) rates effective from April 2026.

45. **Resolved** - to recommend to the Board approval of the revised College Group pay scales.

46. The committee discussed the confirmation of the 16-18 FE funding rate increase for 2026-27 and the implications for the college, including considerations relating to the affordability of the next staff pay review. A more detailed assessment would follow as part of the draft budget and two-year financial plan at the next meeting.

47. The committee noted the update on forthcoming changes under Employment Rights legislation taking effect during 2026 and the actions being taken to secure compliance. In response to members' questions on potential risks associated with the changes, the Principal and Interim Head of HR advised that:

    - Changes to 'day one rights' were expected to have the most significant potential impact and related processes, particularly recruitment and selection, were being reviewed and strengthened.
    - Additional data analysis and monitoring, including of sick days, would be enabled by the implementation of a new HR system in April 2027, with a new recruitment system from September 2026.
    - Further measures were being implemented to comply with the enhanced requirements relating to prevention of sexual harassment from October 2026.

48. **Resolved** – to recommend to the Board approval of the proposed updates to the Family Friendly policies to comply with legislative changes from 6 April 2026, subject to consultation with the ICE Group:

    a) Paternity Scheme and Procedure: removal of the qualifying criteria requiring 26 weeks' continuous service.

    b) Parental Leave: removal of the qualifying criterion requiring at least one year of continuous service.

    c) Sickness Absence Policy: removal of the provision that the first three qualifying days of sickness are unpaid ("waiting days").

49. The committee reviewed the analysis of the latest Gender Pay Gap data and the related review by the Wellbeing Committee. It was recognised that the significant increase in the median pay gap resulted primarily from the pattern of staff turnover, and no evidence had been identified to suggest structural inequality in the college's processes. Members noted

that the college would continue to monitor potential unconscious bias and to progress positive actions as part of the development of the new People Strategy.

50. The committee noted confirmation that the Gender Pay Gap reports for the college and SCS, signed off by the Principal & Chief Executive, would be published on the college website and submitted to the government by the statutory deadlines.

51. The committee also reviewed the results of the latest Staff Wellbeing Survey, discussing actions both to address the reduced participation rate and to strengthen support for staff wellbeing.

Pension Schemes

52. The committee reviewed the annual report on the College Group's pension schemes and the Local Government Pension Scheme (LGPS) Discretions Policy.

53. The CFO drew the committee's attention to key developments, including updates on the DfE LGPS pension guarantee, the outcome of the LGPS triennial valuation, and considerations relating to NEST pension arrangements.

54. Members discussed the reduction in the college's LGPS employer contribution rate from April 2026 and cautioned against assuming that the lower rate would be sustained in the longer term, giving the potential for increases in future actuarial cycles. The CFO confirmed that management would continue to adopt a prudent approach to financial planning in this area.

55. **Resolved** – to recommend to the Board approval of the Local Government Pension Scheme (LGPS) Discretions Policy for college employees without amendment.

PROPERTY & SUSTAINABILITY

Property Strategy

56. The committee reviewed the termly progress report on implementation of the Property Strategy which provided a final report on the investment matrices within the 2021-26 Strategy, ahead of the implementation of the new 2026-31 Strategy.

57. The committee noted the update on delivery of the capital works supported through FE Capital Transformation funding, with the CFO confirming that the March 2026 expenditure deadline had been me. Progress on projects supported through FE Capital Condition Allocation funding was also noted.

58. The committee commended the Director of Estates for the successful completion of the Future Skills Centre extension. The committee further noted the college's bid to Hampshire County Council's LEP legacy reserves to support installation of a mezzanine floor – intended to expand curriculum capacity - had progressed to the approval stage.

59. The CFO advised that, subject to confirmation of the grant, the SLT would seek approval for a tender waiver to enable direct negotiation with the contractor that delivered the previous extension, given the need to meet project timelines and not undermine existing defects liability arrangements. The CFO assured the committee that costs would be independently validated by a quantity surveyor. The committee endorsed this approach as being in the best interests of the college.

60. The Principal also briefed the committee on the development of projects to respond to further capital grant funding opportunities, with updates to be provided in due course.

Sustainability

61. The committee reviewed the termly progress report on delivery of the Sustainability Strategy, noting good progress across all areas, with activity evident in climate education, green skills development, estate and digital infrastructure, operations, and wider engagement.

62. The challenge of reaching net-zero carbon emissions for scope 1 and 2 by 2030 due to the increase in student and staff numbers and the funding constraints for green energy heating sources had been highlighted to the Audit Committee.

63. The Principal advised the committee of the work the Director of Estates was undertaking on a climate adaptation strategy which identified and sought to mitigate specific risks, such as the impact of more severe weather patterns on the estate. An example of a recent action had been the creation of a drainage pond to protect the equine arena from flooding.

SPARSHOLT COLLEGE SERVICES

64. The committee had received and noted the latest Sparsholt College Services Limited (SCS) management accounts (to 31 January 2026) for information and assurance. There were no matters to bring to the attention of the Board.

65. The meeting ended at 12:00.

Approved: Resources Committee Meeting 18 June 2026