

**SPARSHOLT COLLEGE HAMPSHIRE**  
**MINUTES OF THE MEETING OF THE**  
**BOARD OF GOVERNORS**  
**held on 7 July 2016 at 9.00 am**

**<sup>1</sup>PRESENT** Mrs E Bolton (S); Mrs Z Carter (E) (to minute 148); Mr M Coombes (E) (except minute 158); Mr R Fawcett (E); Mr A Hoad (E) (to minute 148); Mr N Hopkins (E) (except minute 158); Mr T Jackson (P); Mr P Lloyd (E); Mr S Morgan (E); Dr R Palmer (E); Mr S Ward (E); Mrs J Venables (E) (to minute 153); Mr C Wilson (E).

In attendance: Mr S Horrobin, Director of Finance  
Mr M Simmons, Deputy Principal  
Mrs S Willson, Clerk to the Corporation

**APOLOGIES**

87. Apologies were received from Mr B Holm and Miss A Robbins.

**DECLARATION OF INTERESTS**

88. A declaration of interests was made by Mr N Hopkins in relation to his external advisory role in the Area Reviews.

89. Declarations of interest were also made by Mr R Fawcett and Mr T Jackson in relation to their directorships of Andover Town Football Club Limited.

**MINUTES**

90. **Resolved** – that the minutes of the meetings held on 17 March 2016 (Part I and II) be confirmed as a correct record and signed by the Chairman.

**CHAIRMAN'S REPORT**

91. The Board had received the report of the Chairman which summarised activities he had undertaken since the previous meeting of the Board and upcoming events and matters requiring his consideration. The Chairman thanked governors for their involvement in recent events which celebrated the success of students and recognised the hard work of the staff at the College.

**COLLEGE HEALTHCHECK REPORT**

92. The Board had received the latest College Healthcheck Report (no. 2016/05).

93. Responding to a member's question, the Principal explained the relationship between number of new learner enrolments and progressing learner enrolments in 2016/17 and funding in 2017/18 and 2018/19. It was confirmed that current enrolment data, together with an estimate of application to enrolment conversion for September 2016 (and beyond), had been taken into account in the 2017/18 financial plan.

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<sup>1</sup> (E) = External; (P) = Principal; (S) = Staff; (St) = Student

## SAFEGUARDING

94. The Board had received the Safeguarding Report of the Deputy Principal for the academic year 2015/16. The report provided a summary of the actions taken in relation to safeguarding and Prevent and supplemented the regular reporting of safeguarding matters through the Healthcheck report and Wellbeing Committee minutes.
95. The report confirmed that responsibilities in relation to the Counter-Terrorism and Security Act 2015 and Prevent legislation were now fully incorporated into the College's policy framework and reporting structures. Prevent training was being systematically rolled out across the College and the governors had received training in January 2016.
96. Noting that a procedure was being developed for external speakers in response to the Prevent risk assessment, members accepted that a procedure might be necessary but cautioned against limiting reasonable free speech and dialogue.
97. Members noted that enhanced training was going to be provided to protect staff who might be in the position of being lone workers and sought information about the College's obligations in relation to safeguarding apprentices in their work places and learners on work experience. The Principal confirmed that the employers held the responsibility for apprentices, although the College encouraged apprentices to report any issues of safeguarding concern to the College. Work experience for full time 16/18 FE students was limited to three weeks for under 18 year olds and there were no separate procedures.
98. The Board noted College management's commitment to comprehensive and effective safeguarding practices and to maintaining a culture of adherence and continuous development.
99. **Resolved** – that authority be delegated to the Quality & Standards Committee to consider and approve the Prevent risk assessment and action plan and a revision to the Safeguarding Policy to include a new procedure for external speakers.

## COLLEGE POLICIES

100. The Board received the report of the Vice Principal, Curriculum providing an update and proposed revisions to a number of College policies relating to teaching and learners.
101. The proposals resulted from the recent restructuring of College management, planned improvements in the effectiveness of strategies for supporting learners and enhanced strategies for ensuring and improving the quality of teaching and learning.
102. **Resolved** – that the proposed changes in relation to job titles to the following policies be approved:
  - a) Accreditation and Recognition of Prior Learning/ Prior Experience Policy
  - b) Admissions Policy
  - c) Appeals Procedure
  - d) Complaints (and Other Feedback) Management Policy
103. **Resolved** - that authority be delegated to the Quality & Standards Committee to approve revisions to the FE Learner Performance Policy and Learner/Student Conduct Policy and to approve a new Curriculum Delivery and Quality Improvement Policy and the deletion of the seven policies which this was intended to replace.

## **PRINCIPAL’S REPORT AND STRATEGIC PLAN**

104. The Board had received the report of the Principal providing an update on progress towards achieving the three-year objectives of the current Strategic Plan and against the annual milestones for 2015/16.
105. The Principal reported that overall progress was good, albeit there were a number of objectives that might only be partially achieved. The only major areas where the milestones were not expected to be achieved were linked to restricted capacity for further capital expenditure and HE enrolment remaining level year on year.
106. Responding to a member’s question, the Deputy Principal clarified that success rates were now defined in terms of the headline “achievement” rate which was based on the pass rate and the retention rate.
107. Members discussed progress with Ecotricity’s plans for the Green Gas Mill and education and skills centre for the demonstration of a range of renewable energy technologies. The Principal expected that a revised planning application would be submitted shortly and confirmed that everything possible was being done to ensure funding from a LEP grant for the renewable energy technology education and skills centre remained achievable.
108. The Board recorded its appreciation for all those at the College who had contributed to the positive progress in delivering the Strategic Plan and noted that the final report would be received in October.

## **STRATEGIC PLAN 2016-2019**

109. The Board had received the draft Strategic Plan revised for the three year period 2016-19, including financial/commercial objectives, quality objectives and the Risk Register for 2016/17.
110. The proposed three-year objectives remained largely unchanged but there were proposed amendments to the annual milestones and key performance measures.
111. Responding to a member’s question about the inclusion of research into a flexible benefits package for staff, the Principal explained the type of options which could be considered and noted that work was needed to assess the feasibility and potential benefits to the College and that any proposals would be submitted to the Resources Committee in the first instance.
112. The Principal agreed to review the wording on Objective 15 to ensure it reflected the College’s catchment areas and Objective 8 on IT infrastructure in light of the recent internal scoping audit of IT.
113. **Resolved** – that the Mission, Values, three-year objectives, annual milestone objectives and key measures for the period 2016-19 be approved with the amendments agreed.
114. **Resolved** – that the Risk Register for 2016-17 be approved for inclusion in the Risk Management Plan to be submitted to the Board in October 2016.

## **FINANCE**

115. The Board had received the report of the Director of Finance proposing the two-year financial forecast for 2016/17 – 2017/18, including the budget for 2016/17, and the Financial Plan for submission to the Skills Funding Agency (SFA).

116. The Director of Finance gave an overview of the draft budget for 2016/17 and forecast for 2017/18, confirming that both reflected the confirmed large programme funding of £630k. In meeting the College's financial objectives, a SFA financial health grade of "Good" in both years was anticipated. The Director of Finance explained that there would be some minor amendments to the 2016/17 forecast as a result of the FRS 102 conversion in relation to grants, leases and loans.
117. In discussion, members sought clarity in relation to the forecasting of learner income related to the proposed anaerobic digester and education centre. The Principal explained that the Three Year Curriculum Plan included developing offers related specifically to renewable energy, in addition to the many current agriculture students who would be using the facilities, but that details of FE and/or HE courses and apprenticeships had not yet been finalised. The new education centre could also provide an opportunity to make savings through freeing-up the much less energy efficient and leased classrooms elsewhere on the campus. Rental payment from Ecotricity would be triggered by the production of gas, not the commencement of construction.
118. Members also questioned how confident College management was that the budget for 2016/17 was realistic given previous variances in income and, in particular, the increase in HE income. The Director of Finance confirmed that the 2016/17 FE income was certain and that the FE 19+ income was reasonably certain although subject to "claw back" unless it was fully utilised. The Principal explained that there had been detailed analysis of the assumptions for HE and these reflected management's best judgement, taking into account factors such as the fee increase, applications for "top ups", progressions and current applications. The Director of Finance highlighted the overview of the HE fees forecast which had been distributed to the Board with the budget.
119. Turning to the cashflow in 2016/17, the Director of Finance noted that the cashflow potentially indicated a need for an overdraft in early 2017 and explained that an update would follow to the October meeting of the Board.
120. Responding to a question about the balance sheet, the Director of Finance explained that provision was not made for significant unknown events which might require, for example, capital expenditure.
121. Members also sought clarity on a number of matters in relation to the capital expenditure budget. The Director of Finance confirmed that the College held an assets register and that there were varying depreciation rates for buildings and general equipment. There was a small contingency included in the budgeted capital expenditure. There were a number of priorities for investment in buildings and facilities which were not included in the capital expenditure budget and where the College would seek to release other assets and/or obtain external funding/investment.
122. The Director of Finance highlighted the sensitivity analysis, noting a potential increase in pension costs from April 2017, following the triennial review of the LGPS, had not been included in the financial plan.
123. The Chairman noted that the forecast did not include an allowance for an all staff salary increase and that this would be considered further under a later agenda item and, if necessary, the Board would revisit the resolutions in relation to budget approval.
124. The Board noted the requirement to submit a two year Financial Plan to the SFA by 31 July each year and reviewed the SFA checklist which had been completed by management to provide assurance that the Financial Plan supported the College's Strategic

Plan and that the data included in the Financial Plan was consistent with the budget. The Principal reported that the SFA had invited members of the Board to join a meeting with management scheduled later in the month as part of the process for monitoring colleges with a current “Satisfactory” financial health grade. The Chairman and two other governors would attend the meeting.

**125. Resolved – that**

- a) a budget for 2016/17 be approved which showed a surplus of £380,000 (before pension charges or credits) and where the underlying operating cash flow was positive for 2016/17;
- b) a budget for 2017/18 be approved which showed a surplus of £958,000 before pension charges or credits;
- c) a 2016/17 provision be approved for £0.9 million (including VAT and excluding Andover Skills Centre) of capital spend;
- d) the Financial Plan for submission to the SFA be approved as aligned with the budget and supporting the College’s Strategic Plan.

**AUDIT**

Minutes

126. The Board had received the unconfirmed minutes of the Audit Committee meeting held on 9 June 2016.
127. The Chair of the Audit Committee highlighted the substantial assurance provided by the internal audit of Learner Number Systems and explained the background to the audit of IT General Controls which had been intended as a scoping audit for assurance work to be undertaken in 2016/17. The Audit Committee had been presented with a draft report and requested that RSM and College management conclude discussions to provide full responses to address the points of concern raised in the draft report, including in relation to business continuity and disaster recovery.
128. The Deputy Principal reported that, since the meeting of the Audit Committee, more investigations had been undertaken and that College management’s assessment was that the level of any risk was low and that a report would follow to the next meeting of the Audit Committee. The Chairman confirmed that he had been briefed by the Principal and Chairman of the Audit Committee and had been assured that appropriate measures were being undertaken by management and that no action was required by the Board ahead of the next meeting of the Audit Committee.
129. The Chair of the Audit Committee also drew the Board’s attention to the review of the format of the Risk Register which would report to the Board in October and to the review of the Committee’s terms of reference.

Internal Audit Plan

130. The Board had received the draft Internal Audit Strategy 2016/17 - 2018/19 from RSM.
131. The Chair of the Audit Committee explained that it was not yet known whether the SFA would require colleges to commission an external assurance report on subcontracting during 2016/17 and that, if required, this would be an additional audit cost.

132. **Resolved** – that the Internal Audit Plan for the year ending 31 July 2017 be approved and subsequent plans for 2017/18-18/19 noted.

#### Financial Statements & Regularity Audit Plan

133. The Board received the report from KMPG setting out the plans for the audit of the College for the year ending 31 July 2016.
134. The Chair of the Audit Committee noted that the external audit would follow a similar process as in the previous year but would also include an audit of the conversion of the accounts under the new UK GAAP, FRS 102.
135. **Resolved** – that the Financial Statements and Regularity Audit Plan for the year ending 31 July 2016 be approved.

#### **CURRICULUM, EMPLOYERS & MARKET REQUIREMENTS COMMITTEE**

136. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers & Market Requirements Committee (CEMR) held on 26 May 2016.
137. The Chair of CEMR highlighted the consideration of the College's Curriculum Plan for 2016/17 to 2018/19 and members reflected on the continuing developments in relation to funding and delivery of apprenticeships.

#### **RESOURCES COMMITTEE**

138. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 17 June 2016 (Parts I and II), together with the Property Strategy.
139. The Chairman noted that, although the Resources Committee was recommending approval of the Three Year Property Strategy, there had been some detailed discussion regarding the methodology for prioritising future investment in the existing estate and the approach to the ongoing development of the Property Strategy.
140. The Chairman also highlighted the discussion at the Committee of staff remuneration and the continuing challenge of ensuring affordability and rewarding staff appropriately. Members discussed the factors which required consideration when deciding the remuneration strategy and the potential consequences of a number of years without a percentage increase in salary for all staff but recognising that increments were paid to staff on an annual basis (based on successful performance) until they reach the top of their scale. It was recognised that the staff were a key asset in delivering quality teaching and positive outcomes for learners but that the Board had a duty to ensure the ongoing financial viability of the College. Members suggested that decisions about salary increases also be considered alongside other options for managing overall staff costs. It was agreed that more information was needed to fully assess the options and consider the long term impact of pay decisions on staff and the College's finances.
141. The Board requested a report be presented to Resources Committee to include data on the staff remuneration, including the proportion of staff who had received incremental pay rises and/or market supplements, and information on recruitment and retention, sector comparators, staff survey results and costed options for pay and reward and an assessment of the impact on key financial measures. The Board agreed that, in the meantime, the two year financial plan be agreed as recommended by the Director of Finance.

142. The Principal explained that, after the Board approving the 2017/18 OFFA Access Agreement and a rise in fees to £9,000 at its meeting in March, HE providers were being permitted to apply to adjust their fees as a result of the anticipated changes in regulation which would allow providers with satisfactory quality assessment to raise their fees in line with inflation. Following soundings taken across the sector, the approval of the Board was being sought to apply to OFFA to set the HE fees at £9,250 pa for 2017/18. College management would consider whether to offer some sort of gift to HE enrollers linked to inclusive access.
143. **Resolved** – that:
- a) The Three Year Property Strategy be approved;
  - b) The financial constraints on the College meant that, with regret, an increase in salaries or an unconsolidated cash payment was not currently affordable;
  - c) The College’s accounting policies be changed to adopt the accruals method for capital grants;
  - d) The proposed revisions to the use of College credit cards in the Financial Regulations be agreed;
  - e) The HE fees for 2017/18 be increased to £9,250 pa.

#### **WELLBEING COMMITTEE**

144. The Board had received the unconfirmed minutes of the Wellbeing Committee held on 15 June 2016, together with the proposed Health & Safety Policy for 2016/17.
145. The Principal highlighted key considerations of the Committee, including an analysis of accidents in Equine which had not found evidence of any correlation between accidents and that the Offsite Policy and Procedures were being reviewed and would be agreed by the SLT.
146. Responding to a Member’s question, the Deputy Principal confirmed that embedding equality and diversity, and British Values, in delivery of the curriculum continued to be a priority for the College and Ofsted.
147. A Member queried whether there were specific requirements in relation to health and safety/ risk assessment of the anaerobic digester plant. The Principal explained that the plant’s operator would need to comply with licencing and legislative requirements and that the College, working with the operator, would be required to ensure that learners involved in the plant operations, by way of practical work or longer periods of work experience, were covered by relevant health and safety requirements..
148. **Resolved** – that the revised Health & Safety Policy and Procedures be approved.

#### **ANDOVER TOWN FOOTBALL CLUB LIMITED (ATFC)**

149. The Board had received the minutes of the meeting of the ATFC Board of Directors of 23 June 2016.
150. It was noted that consideration had not been required by Resources Committee of the potential promotion of the Club and that the Club had had a successful season, improving its financial position and developing connections with the local community, as well as continuing to help develop College players. A new director had been appointed to the ATFC Board on the basis of his role at Andover Town Youth FC.
151. The Principal recorded his gratitude for everyone involved with the running of the Club during 2015/16 and to Mr Fawcett for giving his time as a member of the ATFC Board.

## SEARCH COMMITTEE

152. The Board had received the unconfirmed minutes of the meeting of the Search Committee held on 19 May 2016.
153. Members noted with regret that Mr Lloyd would complete his third term as a governor in December 2016 and discussed the reasons for having a restriction on the number of terms which any governor could serve. The Chairman explained the balance that the Board's policy sought to achieve between benefiting from a Member's experience and knowledge of the College and the risk of a Member losing some degree of independence and challenge over the years. The Board's policy of a maximum of normally two terms of office reflected best governance practice in all sectors.

## GOVERNANCE

154. The Board received the report from the Clerk the Corporation providing an update on governance matters and making recommendations in relation to appointments to the Board and its committees and to related policies and terms of reference.
155. The Clerk gave a verbal report of the results of the election of a Staff Governor, noting that there had been three candidates and that the successful candidate was George Tabcart, a lecturer in Sport and Public Services.
156. The Chairman recorded the gratitude of the Board to Mr Holm for his excellent service as a Staff Governor during his four year term of office.
157. **Resolved** – that the meeting be chaired by Mr Wilson while the Chairman and Vice Chairman left the room.
158. The Clerk provided a verbal report on their performance surveys and proposed their appointments as Chairman and Vice Chairman be reconfirmed for 2016/17.
159. Mr Wilson reported the decision of the Board to the Chairman and Vice Chairman and thanked them on behalf of fellow Board members for their continuing commitment to the College.
160. **Resolved** – that
  - a) The Policy on the Selection and Appointment of Governors and Committee Members be revised to clarify that Staff Governors could service a second term of office, subject to re-election by College staff, and that the term of office of any member who is appointed Chairman be extended to the same end date as his/her term of appointment as Chairman;
  - b) Mr George Tabcart be appointed as a Staff Governor for a term of office of four years from 10 July 2016
  - c) Miss Megan Brett be appointed as a Student Governor from 12 September 2016 until the end of her final academic year at the College;
  - d) Mr Simon Eden be reappointed as a co-opted member of CEMR for a term of office of four years from 15 July 2016;
  - e) The Chairman and Vice Chairman be reconfirmed in their positions in the academic year 2016/17;
  - f) The term of office of Mr Coombes as a member of the Board be extended to 31 July 2018 in lined with his tenure as Chairman;

- g) The terms of reference of the Audit Committee in relation to risk management be amended as proposed;
- h) The membership and terms of reference of the Resources Committee be amended as proposed.

161. Confidential items were discussed and are recorded separately. The meeting closed at 1.30 pm.