

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 17 March 2016 at 9.00 am

¹PRESENT Mrs E Bolton (S); Mrs Z Carter (E); Mr M Coombes (E); Mr B Holm (S); Mr R Fawcett (E); Miss E Freshwater-Blizzard (St); Mr A Hoad (E); Mr N Hopkins (E); Mr T Jackson (P); Mr P Lloyd (E); Mr S Morgan (E); Dr R Palmer (E); Mr S Ward (E); Mr C Wilson (E).

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

LONG SERVICE

21. The Board recognised the long and loyal service to the College of Mr David Denham, Property MTN Operative, and Mrs Julie Butler, Management Information Systems Manager.

APOLOGIES

22. Apologies were received from Miss A Robbins and Mrs J Venables.

DECLARATION OF INTERESTS

23. A declaration of interests was made by Mr N Hopkins in relation to his external advisory role in the Area Reviews, which had been extended to include two Sixth Form colleges in Hampshire.

24. 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 and by Mr M Coombes and Mr T Jackson in relation to their directorships on the Board of Cultiva Limited.

MINUTES

25. **Resolved** – that the minutes of the meetings held on 10 December 2015 (Part I, II and III), 20 January 2016 and 11 February 2016 (confidential) be confirmed as a correct record and signed by the Chairman.

CHAIRMAN'S REPORT

26. 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. Members expressed appreciation for the time that the Chairman committed to the College and noted that demands on him and others would increase during the Area Review process.

PRINCIPAL'S REPORT AND STRATEGIC PLAN

27. 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.

¹ (E) = External; (P) = Principal; (S) = Staff; (St) = Student

28. Overall progress was good, although the Principal explained the background to some risk of non-achievement for 6 of the annual milestones. Members sought clarification of actions undertaken by College management in relation to language school business, 19+ funding and provision of catering facilities for students.
29. The Principal also reported on the development of the National Land Based College and its discussions with qualifications awarding organisations which are expected to lead to students at the College receiving National Land Based College qualifications within the next few years.
30. The Chairman asked the Principal to provide an update at appropriate intervals on the progress of the National Land Based College in meetings its strategic objectives.

COLLEGE HEALTHCHECK REPORT

31. The Board had received the latest College Healthcheck Report (no. 2016/02). There were no matters arising which were not covered on the agenda.

FINANCE

32. The Board had received the report of the Director of Finance providing an update on the College's in-year financial position and the two year financial plan (2015/16 and 2016/17), and on the January Management Accounts.
33. The Director of Finance also reported that the College has submitted to the SFA an updated version of the Two Year Financial Plan to the end of the year 2016/17.
34. The Board noted the latest forecasts for a small surplus in 2015/16 and 2016/17 and the key variances. There had been a number of adjustments in 2015/16 and the Chairman stressed the importance of continuing to take into account the underlying budget. The cash flow position had improved and the overdraft previously approved by the Board was in place as a contingency mainly against the any uncertainty in the funding and construction costs of the Andover Skills Centre. The bank loan financial covenants were continuing to be closely tracked by the Director of Finance and reported to the Resources Committee.
35. Responding to a questions from members, the Principal explained the challenges regarding the farm in the current wider context of low commodity prices which agriculture is currently facing and reported that work was underway to assess the net contribution/loss of the farm's areas of activity and what actions could be taken to improve the future budget position. He also explained the factors behind the reduction in staff costs from 2014/15 to 15/16, including the changes to the holiday accrual and the previous year's management restructure.
36. The Deputy Principal confirmed that HE application forecasts were being closely monitored and indicated that the original forecast growth for 2016/17 might not be fully achieved. However, some people had applied to multiple courses and this could lead to better conversion rates.
37. Members also discussed the possible long term financial implications should the EU Referendum result in a decision to leave the EU. This was likely to affect economic

grants, the farm business and adult funding. It was agreed to revisit this after the Referendum with more detailed risk modelling if relevant.

FINANCIAL REGULATIONS

Financial Regulations

38. The Board had received the report of the Director of Finance concluding his review of the Financial Regulations, which followed the approval of a new Procurement Policy in December 2015.
39. The Director of Finance proposed that the Financial Regulations be restructured into two parts, each directed at different groups of College users based on the relevance of the regulations to their respective roles. Additionally, changes were proposed to improve financial controls and management processes, restrict authorities and update job and department titles.
40. Members discussed whether the regulations which covered theft and fraud should be extended to deal with any form of criminal activity. The Chairman asked the Principal and Director of Finance to satisfy themselves as to whether further amendment was required.
41. **Resolved** – that amended College Financial Regulations be approved and issued from 1 August 2016 for the 2016/17 academic year.

Procurement Policy

42. The Director of Finance also recommended a change to the Procurement Policy as a result of practical considerations which had come to light regarding adding new suppliers to the finance systems so that for any supplies below £500 a supplier could be set up on the finance system using an alternative, simpler method and that, for any supplies up to £5k, the Director Finance or Principal could waive the need for a new supplier form being required in special circumstances.
43. **Resolved** – that the proposed amendments to the Procurement Policy be approved.

OFFICE FOR FAIR ACCESS (OFFA) AGREEMENT 2017/18

44. The Board had received the draft OFFA Agreement for 2017/18. The Quality & Standards Committee had recommended that a rise in Higher Education fees to £9000 (including the policy of a £200/annum cash contribution back to students to pay for things like VN registration fees or Study tours) be included in the OFFA Agreement.
45. The Deputy Principal reported that there was some further work required by the HE Strategy Group to finalise three of the targets and some of the retrospective data due to the later than anticipated publication of the 2017/18 Access Agreement and that the OFFA Agreement was required to be submitted in April 2016.
46. Responding to a question about whether the effectiveness of outreach projects described in the OFFA Agreement was assessed by the College, the Deputy Principal confirmed that the College provided an annual report to OFFA on its use of funds, although measuring impact in this area was challenging.
47. **Resolved** – that the 2017/18 OFFA Access Agreement be approved on the basis that the text highlighted as draft be finalised by the HE Strategy Group prior to submission and that the Agreement include a rise in fees to £9,000.

GOVERNANCE

48. The Board received the report from the Clerk the Corporation providing an update on governance matters, including the Hampshire Area Review overview plan, and proposing some changes to the operations of the Board to support effective governance at the College.
49. Members discussed the proposals to hold scheduled meetings of the Board and committees on the Sparsholt College campus due to lack of suitable meeting rooms and reduced parking at Andover College and other administrative considerations. It was agreed that it was important for members to spend time at Andover College, to see the College in action and have opportunities to meet with members of staff and learners. Holding formal meetings was a positive gesture and brought members to the Andover College campus but any wider impact was questionable.
50. The Clerk committed to continuing to support opportunities for governors to attend events and activities at Andover College and to consult Chairs of committees on holding meetings there from time to time where practicable.
51. **Resolved –**
 - a) that the Terms of Reference of the new Area Review Working Group be approved, that the initial membership be the Chairman, Vice Chairman, Chair of the Audit Committee, Chair of the Curriculum, Employers and Market Requirements Committee and the Principal and that authority be delegated to the Chairman to make changes to the membership of the Group if necessary between meetings of the Board;
 - b) that the Terms of Reference of the Quality & Standards Committee be revised to include one co-opted member (reduced from two);
 - c) that the proposed changes to the Calendar of Meetings for 2016/17 be agreed and the provision Plan of Business for 2016/17 be noted.

CONFIDENTIAL MINUTES

52. The Board had received the results of the Clerk's review of business recorded as confidential during 2014/15 and the annual review of confidential minutes from 2001 onwards.
53. **Resolved –** that the minutes identified in the review as no longer confidential be released into the public domain and that the remaining minutes recorded as confidential during 2014/15 and also in previous years should remain so.

AUDIT COMMITTEE

54. The Board had received the unconfirmed minutes of the Audit Committee meeting held on 4 February 2016, including a recommendation to the Board to continue with the appointments of the internal and external auditors.
55. The Chair of the Audit Committee highlighted the discussion of the Internal Auditor's report on risk management and specifically the number of risks contained in the College's Risk Register. Members agreed with the Audit Committee's view that the Risk Register must be workable for the Principal and SLT, as well as providing effective oversight reporting. The Principal would consider whether any revisions to the current approach would be beneficial and would report back to the Audit Committee and the Board.

56. The Chair of the Audit Committee also noted that he would seek feedback from Chairs of other committees on the development of the 2016/17 Internal Audit Plan and the 2016/17 Risk Management Plan to inform the Audit Committee's considerations at its next meeting.
57. **Resolved** – that the College reappoint RSM as internal auditors for a further year from 1 August 2016 and KPMG as financial statement/regularity auditors for a further year to cover the completion of the 2016/17 statutory accounts, subject to agreement of fees by the Director of Finance.

CURRICULUM, EMPLOYERS & MARKET REQUIREMENTS COMMITTEE

58. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers & Market Requirements Committee (CEMR) held on 28 January 2016.
59. The Chair of the Committee commended the new reports received by CEMR from College management, noting progress in collecting and analysing student destinations data, changes to apprenticeship delivery and funding, information about employer engagement and delivery of the College's marketing plan.
60. The Principal highlighted the changes to apprenticeships as potentially significant, although some of the policy and funding detail was not yet known.

RESOURCES COMMITTEE

61. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 26 February 2016 (Parts I and II), together with supporting information in relation to financial matters, the proposed Heads of Term for the Stihl Academy and the Local Government Pension Scheme (LGPS) Discretions Policy.
62. The Chairman drew the Board's attention to the Committee's considerations of the contribution model, presented by the Deputy Principal, which sought to build a picture of the income generated by each Area of Learning and the contribution towards central costs. The Committee had welcomed the use of contribution analysis by the SLT and proposed that the work might also be relevant to CEMR and of interest for inclusion in a future Governors' Seminar.
63. The Chairman also praised the efforts of the Premises & Facilities Manager in giving a presentation to the Hampshire Sustainable Business Network about the College's approach to implementing the ISO14001 standard for environmental management.
64. **Resolved** – that the following be agreed:
 - a) that the financial constraints on the College meant that, with regret, an increase in salaries or an unconsolidated cash payment was not currently affordable;
 - b) a Capital spend of £255,000 plus VAT in advance of the 2016/17 budget year for items required to be scoped and ordered for delivery on or shortly after 1 August to be ready for the Autumn term 2016/17;
 - c) the change in use of four out of the five the Westley Cottages from being that of "accommodation for members of staff linked to College work" to "investment property", acknowledging that the cottages are surplus to the College's needs and are to be made available to let on the commercial market with a need to earn rental income as soon as the cottages are vacated by the current staff occupants, taking into consideration their tenancy agreements;

- d) the Heads of Term for a Stihl academy to be established in the Horticulture demonstration building through leasing part of the building to Stihl UK Limited on the basis that Stihl finances the redevelopment and refurbishment of the building;
- e) that the Local Government Pension Scheme Discretion Policy be approved without amendment.

QUALITY & STANDARDS COMMITTEE

- 65. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee held on 11 February 2016.
- 66. Responding to a member's question about the use of "value added" metrics, the Chair of the Committee confirmed that he was aware that 'value added' comparative analysis was not possible with the City and Guilds qualifications (used most widely by land-based colleges), suite but nevertheless he and the Committee had challenged College management to put more pressure on the Landbased Colleges (through Landex or other) to make more progress to introduce a national system for land based FE courses, recognising the current lack of comparable data. The Deputy Principal confirmed that "value added" was applied to A levels and reported in the College's Self-Assessment Report.

ANDOVER TOWN FOOTBALL CLUB LIMITED (ATFC)

- 67. The Board had received the minutes of the meeting of the ATFC Board of Directors of 11 March 2016. ATFC had had a successful season to date in terms of match results and a number of Sparsholt Academy players had represented ATFC during the season.
- 68. The Principal confirmed that ATFC was continuing with an application for promotion to the Southern Premier League on the basis that the necessary improvements to the Portway Stadium could be completed within the required timescale. He confirmed that additional sponsorship would be needed in order to cover the forecast increase in costs which would result if ATFC were to be promoted.
- 69. Promotion would be subject to the approval of the Board of Governors on the basis of confirmation that the College would not incur additional costs as a result. A report would follow in the Summer term if ATFC finished in a position to be considered for promotion. The deadline by which a decision would be required was not yet known.
- 70. **Resolved** – that authority be delegated to the Resources Committee to agree whether ATFC could accept an offer of promotion on the basis that sufficient income had been secured and there would not be additional costs to the College.

EQUALTY & DIVERSITY

- 71. The Board had received the annual report on Equality & Diversity which reported on performance against the equality objectives set out in the Single Equality Scheme.
- 72. The College had continued to focus on eliminating achievement gaps between specifically identified groups of learners and, while a number of gaps remained, College management were confident that there were no structural disadvantages for learners at either campus based upon the protected characteristics. In discussion, members noted that the previous approach to setting the objectives had tended to focus on general equality factors rather than the protected characteristics. It was also proposed that it would be helpful to have external comparative data.

73. The Wellbeing Committee had reviewed the current Single Equality Scheme and the Principal proposed that the College develop a new approach to setting and publishing longer term equality objectives, with annual milestones, and a revised equality policy and bring proposals to the Board of Governors in December 2016. The changes would ensure the College continues to fulfil its duties under the 2010 Equality Act and develop more targeted and relevant actions, based on data which was now available at an earlier points in the business cycle.
74. **Resolved** – that a report on the Single Equality Scheme and an Equality Position Statement be published on the College’s website and that the current equality objectives be extended until December 2016.
75. Members discussed the equality data for the Board of Governors and agreed that the Search Committee should continue to consider gender, ethnicity and other equality factors when overseeing recruitment of new governors.

WELLBEING COMMITTEE

76. The Board had received the unconfirmed minutes of the Wellbeing Committee held on 24 February 2016.
77. The Principal highlighted key considerations of the Committee, including that accident rates had not raised any cause for concern, the high retention rate of learners with safeguarding cases and actions being taken in relation to the Prevent duty, including training, risk assessment and development of an external speaker policy.
78. Responding to a question about support for learners with mental health difficulties, the Deputy Principal confirmed that Hampshire Clinical Psychology Service had provide some part-time resources at no cost who was providing supervisory support to members of staff. The College counsellor also received formal external supervision and there was CPD for academic staff on mental health and Prevent.
79. The Student Governor welcomed the introduction of gender neural toilets across the campuses.
80. Members also discussed the importance of encouraging responsible drivers by learners and their passengers and noted that work by the Police and Fire service to educate young drivers in the past and as an ongoing matter.
81. Confidential items were discussed and are recorded separately. The meeting closed at 1.30 pm.