

**SPARSHOLT COLLEGE HAMPSHIRE**  
**MINUTES OF THE MEETING OF THE**  
**BOARD OF GOVERNORS**  
**held on 8 December 2016 at 9.00 am**

**<sup>1</sup>PRESENT** Mrs E Bolton (S); Mrs Z Carter (E) (to minute 308); Mr M Coombes (E); Mr R Fawcett (E); Mr A Hoad (E); Mr N Hopkins (E); Mr T Jackson (P); Mr S Morgan (E); Dr R Palmer (E); Miss A Robbins (St); Mr G Tabear (S); Mrs J Venables (E); Mr S Ward (E); Mr C Wilson (E).

In attendance: Mr S Barlow, Vice Principal – Curriculum (to minute 249)  
Mr S Horrobin, Director of Finance  
Mr M Simmons, Deputy Principal  
Mrs S Willson, Clerk to the Corporation

**APOLOGIES AND MEMBERSHIP**

233. Apologies were received from Mr P Lloyd.

234. The Board noted the resignation on 8 November 2016 of Miss M Brett as Student Governor.

**DECLARATION OF INTERESTS**

235. Declarations of interest were made by Mr R Fawcett and Mr T Jackson in relation to their directorships of Andover Town Football Club Limited and Mr T Jackson and Dr R Palmer in relation to their directorships of Westley Enterprises Limited.

**MINUTES**

236. **Resolved** – that the minutes of the meetings held on 6 October 2016 (Part I and II) be confirmed as a correct record and signed by the Chairman.

Anaerobic digester (min 172/16)

237. The Principal confirmed that the construction of an anaerobic digester by Ecotricity had been notified to the College's insurers and that College management would seek confirmation from Ecotricity when work began as to the company's insurance in relation to the plant.

Property (min 206(d)/16)

238. The Principal reported that the potential sale of a strip of land around Nos 3 and 4 Garstons Cottages was on hold pending matters relating to the nearby College estate and that it might be decided not to proceed.

**SELF-ASSESSMENT REPORT**

239. The Board had received the Self-Assessment Report (SAR) for 2015/16, including the final Further Education (FE) achievement rates and an update on the Quality Improvement Plan for 2016/17.

---

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

240. The Deputy Principal introduced the SAR, noting the improvements to the clarity of the information provided, with consistency between data reporting and headline outcomes. The substantive judgements had been finalised but there would be final checks and editing to ensure data accuracy.
241. The SAR assessment was the College continued to provide a Good, or better, standard of education for most learners who attend, while recognising that there were some areas which required improvement. The assessment of Good applied to all four key headline judgements and Safeguarding was rated as Effective (not being graded). Additionally, the Curriculum Delivery and Quality Improvement Strategy approved by the Quality & Standards was being implemented and early progress had been made.
242. The Vice Principal – Curriculum summarised the key points within the SAR, highlighting areas with an improvement in achievement rates explaining actions being taken to make improvements in specific areas. These had been discussed at, and progress would continue to be reported, to the Quality & Standards Committee. The report included a new value-added analysis for A' levels and BTEC offers. Full value-added data was not yet available for the land-based offers.
243. The Board welcomed the inclusion of the new value-added analysis and questioned the variation between AS and A2 performance in some subjects with different groups of students. The Vice Principal – Curriculum explained that further improvement was expected to A2 as a result of actions taken leading to more confident teaching.
244. Asked how the high grades rates broke down by Levels within each area of learning and the correlation between high grades achievement and progression to HE at the College, the Vice Principal – Curriculum confirmed that the analysis had been undertaken and was available to governors via the data portal. Supporting learners to reach high grades provided them with more opportunity of HE, whether at the College or elsewhere, and learners were supported to make judgements about their progression either into education or employment.
245. Members discussed the challenges identified with regard to English and Maths, noting that the proportion of students who successfully achieved A\*-C grades at GCSE was too low. The Vice Principal – Curriculum confirmed that management had identified the need to better differentiate between the specific needs of individual learners in terms of focus on particular areas of the syllabus and that breadth of the journey for each learner over one or two years as appropriate.
246. Members noted the overall positive results reported from surveys of learners and parents but sought assurance about the apparent deterioration in the perception of recreational facilities and the low scores at Andover College in relation to help with CVs. The Deputy Principal reported that some improvement had been made to the residential facilities during the previous summer and the students were consulted about leisure activities and that both areas were kept under review. The Vice Principal – Curriculum agreed that students should be supported in careers advice and CV preparation and that new online materials had been introduced this year, with support from Pastoral Tutors which would increase in the Spring around routes for progression. A volunteering programme was also being put in place at Andover College, although it was recognised that many learners already had part-time work and that might affect take-up.
247. The Board endorsed the actions being taken by College management to address those areas of provision which required further improvement and the focus on further

improvement of the quality of the learner experience through the Curriculum Delivery and Quality Improvement Strategy. The Board thanked the Vice Principal – Curriculum and his teams for their continuing efforts and commitment and recognised the excellent achievements in many areas of the College.

248. **Resolved** – that the College Self-Assessment Report for 2015/16 be approved.

#### **AUDIT COMMITTEE**

249. The Board had received the unconfirmed minutes of the Audit Committee meeting held on 15 November 2016, together with the completed Regularity Audit Questionnaire, the annual Internal Audit Report the External Auditor’s management letter and the Audit Committee’s Annual Report to the Board of Governors for information.

250. The Chair of the Audit Committee highlighted areas to note from the minutes, included the unqualified audit opinion and the recommendation to confirm the appointment of RSM to undertake the assurance requirements of the Skills Funding Agency (SFA)’s funding agreement for 2016/17.

251. The Board noted the opinion of the internal auditors that the College had an adequate and effective framework for risk management, governance and internal control and that there had been good progress implementing management actions from audits undertaken during 2015/16.

252. Asked by a member about the decision regarding insurance to cover acts of terrorism, the Principal confirmed that management’s assessment, agreed by the Resources Committee, was that the risk did not justify the high annual cost.

253. Noting the Audit Committee’s Annual Report and the Committee’s statement on the adequacy and effectiveness of the College’s assurance arrangements, the Chairman commended the Committee for the work it had undertaken during the year.

254. **Resolved** – that the Regulatory Audit self-assessment questionnaire be signed by the Chairman and Principal, as Accounting Officer.

255. **Resolved** – that RSM be commissioned to provide the additional assurance required by the SFA on subcontractors.

#### **WESTLEY ENTERPRISES LIMITED**

256. The Board had received for information the minutes of the meeting of the Board of Directors of Westley Enterprises Limited (Westley) held on 9 November 2016 and the approved Directors’ Report and Financial Statements for the year ended 31 July 2016.

257. Responding to a Member’s question in relation to the minutes, the Principal explained that the primary driver for the planned investment in the Equine facilities by the College was recruitment of students and delivery of the curriculum. If this also enabled an increase in commercial activity that would be beneficial although the level of demand for profitable livery had not yet been established.

258. Members discussed the role of Westley and the scope of activities currently included within its remit. The Principal explained that activities inside and outside of Westley were managed cohesively within the College and that College management did not consider that there would be any advantages in terms of growing commercial income by changing the scope of the company’s remit.

259. Asked how the income was managed, the Director of Finance explained that the income was received into the College's bank account and was allocated through the accounts process to Westley.

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

260. The Board had received the minutes of the meeting of the ATFC Board of Directors of 11 November 2016 and the Directors' Report and Financial Statements for the year ended 31 July 2016.
261. The Principal confirmed that the operational changes at ATFC, reported to the Board in October, had been implemented. The 2015/16 financial year had ended with a profit of c£7k which (except for £1) the Board of Directors had resolved would be paid to the College via Gift Aid. After a change to forecast sponsorship, the reforecast budget for 2016/17 had declined from a surplus to a year end deficit of c£1k. A letter of support was therefore sought from the College by the auditors. The statutory accounts had received a clean audit opinion from KPMG.
262. Responding to a Member's question about the historical safeguarding cases in UK football which had emerged in the press, the Deputy Principal reported that ATFC had received a letter from the FA circulated to all clubs and that clear signs had been displayed in the dressing room in relation to reporting safeguarding issues. The College already had a strong safeguarding culture, policy and procedures for the learner community and for vetting of staff.
263. Members discussed the financial position of ATFC and the contribution and value of ATFC to the College's sports provision. It was recognised that, while there was some negative impact on College resources through the existence and oversight of ATFC, there were also benefits associated with recruitment and curriculum development, although these were difficult to fully quantify. The request to continue to support ATFC had also to be considered in the context of the College's long-term commitment to the Portway Stadium.
264. The Chairman sought confirmation from the Principal and Director of Finance that there were robust financial controls in place for ATFC in order that the assets of the College would not be put at risk by confirming that financial support would be made available to ATFC if required.
265. The Principal confirmed that expenditure at ATFC required the authority of the Vice Principal – Curriculum, a Director of ATFC, and to be in line with the ATFC budget and the College's Financial Regulations. The Principal also provided his assurance, as Chair of the ATFC Board of Directors, that the ATFC board would oversee the 2016/17 budget to be as close to the forecast outcome as possible.
266. Asked about the worst case scenario for financial liabilities, the Director of Finance explained that the main expense was employee and players costs and estimated that an extreme worst case year end would be a deficit of £3-4k.
267. The Board agreed that the Chairman should sign the letter of support on the basis that robust financial controls were in place.
268. **Resolved** – that Sparsholt College Hampshire continue to make available such financial support as may be required by Andover Town Football Club Limited for a period of at least twelve months.

#### **FINANCE**

269. 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 (2016/17 and 2017/18). The October Management Accounts were received separately.
270. In relation to the 2015/16 accounts, the Director of Finance reported that no breaches of the bank covenants were anticipated and that they had now been audited.
271. The Board noted the management's assessment that the high-level reforecast of the 2016/17 Income and Expenditure account indicated that the College would achieve the underlying target Budget surplus, with additional gains from property sales.
272. A number of challenges had emerged to the 2017/18 financial plan leading to a reduction in the forecast Budget surplus. These included a reduction in the forecast increase in Higher Education (HE) fee income due to a different mix of types (and related fees) of HE enrolments and a reduction in forecast EFA income due to marginally fewer enrolments year-on-year but also to a reduction as a result of the 2015/16 learners having better levels of prior attainment of C grade Maths and English (before enrolment) than in previous years. The other changes to 2017/18 related to an increase in pensions contributions and postponement of financial benefits related to the Green Gas Mill. The worsening Budget position was partly offset by increases to forecast cost savings and by the use of budgeted contingency.
273. With regard to apprenticeships and the introduction of the Apprenticeship Levy, the Principal reported a reduction to the reported risk to subcontracted business for 2017/18 as the College's subcontractors had subsequently committed continuing their business with the College for a further year.
274. Discussing the reforecast for 2017/18, Members questioned why the change to the Maths & English attainment profile had not been assessed or anticipated sooner. The Principal explained that this had not been a major factor in the EFA allocation in previous years as the prior attainment profile had tended not to vary significantly year on year. The Principal acknowledged that improvements to school results should have been recognised as a potential factor and extrapolated as part of the forecast of future funding. The position for 2016/17 enrolments had now been assessed and showed only a slightly better financial position.
275. The Principal reported strategic discussions taking place within the Strategic Leadership Team of options for FE curriculum delivery and the potential to reduce costs while maintaining or enhancing the student experience and quality of provision. Any changes would also need to meet the funding guidance for land-based programmes in terms of provision of teaching hours. These discussions were at an early stage and more information would be presented at the Governors' Seminar.
276. Responding to Members' concerns about whether potential changes to curriculum delivery could worsen enrolment and/or retention, or could lead to learners entering the workplace with inadequate skills, the Principal assured the Board that the needs of learners and employers was central to curriculum planning, and to retention and achievement, and would continue to include sufficient practical experience.
277. Members also sought evidence about comparisons in teaching hours with other colleges. The Principal explained that, although he had sought this information and little comparative data was available, his judgement was that other colleges were in a similar situation.

278. Discussing the reforecast income, a Member questioned whether any of the forecasting had been too optimistic and cautioned against the risk of short-term reactive responses to the changes. Members also asked whether all additional income sources had been explored.
279. The Deputy Principal explained the internal scrutiny and challenge which had informed the financial forecasting for HE and noted that the overall targets had been met, while acknowledging that the recruitment of international students had been disappointing.
280. The Principal reminded the Board that FE enrolments had not been forecast to grow, recognising the continuing demographics challenge, and that the funding environment remained tough.
281. Asked about the recruitment strategy for Andover College, the Deputy Principal recognised the need to continue to differentiate the Sixth Form Academy, while reflecting on the local marketing challenges and the increase in competition over recent years.
282. Members also discussed role of the College's commercial activities in generating additional income while maintaining the core educational mission of the College and whether new opportunities could be identified alongside the actions already underway to grow commercial business.
283. The Chairman noted that the discussions regarding College management's responses to the 2017/18 Budget reforecast would continue at the Governors' Seminar and through formal business at future meetings.

#### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

284. The Board had received the draft Annual Report and Consolidated Financial Statements for the year ended 31 July 2016, together with the draft letter of representation. The recommendations of the Audit Committee and the Resources Committee were noted and had been taken into account in preparing the final drafts. The Director of Finance and his team were thanked for their work in preparing the accounts.
285. The Board noted the unqualified opinion given by the external auditors, KPMG, and that KPMG had confirmed management's assessment that the accounts were prepared on the going concern assumption that the College would continue to meet its debts as they fell due for the foreseeable future.
286. The Director of Finance highlighted a number of other points in KPMG's management letter, the summary of financial performance in relation to retirement benefits and the assessment of CPI inflation and of salary growth.
287. The Director of Finance reported that the final confirmation of income from the Skills Funding Agency, which was required in order for the external audit partner to sign the accounts, was expected the following week but confirmed that Chairman and Principal could sign the Annual Report and Financial Statements in advance of the SFA's letter being received.
288. **Resolved** – that the Annual Report and Consolidated Financial Statements for the year ended 31 July 2016 and the letter of representation be approved and signed on behalf of the Corporation, with a clarification to the description of A' level results on p8 of the Annual Report.

#### **FEES POLICY**

289. The Board had received the recommendation of the Resources Committee that the Fees and Bursaries Policy for 2016/17 be approved.

290. **Resolved** – that the Fees and Bursaries Policy for 2016/17 be approved.

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

291. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers & Market Requirements Committee (CEMR) held on 4 November 2016, including a review of the Higher Education (HE) Strategy.

292. The Chair of the Committee drew the Board's attention to the discussion of the Employer Engagement Strategy, welcoming the overview of the College's approach to understanding the labour marketing and local economic development plans, linked to development of the curriculum, and the objective to better align and capitalise on employer engagement activities across the College.

#### Higher Education Strategy

293. The Chair highlighted the main points of discussion of the HE Strategy, relating these to findings from his subsequent Link visit to the Head of Faculty. Areas of questioning by the Committee had included links between the HE offer and employers' needs and research and the continued development and improvement of the HE offer. The Chair also noted the role of blended learning in making part-time study more attractive to national and international applicants.

294. Members discussed the HE Strategy, endorsing the exploration of opportunities in new specialisms, including within agriculture, and for Higher Apprenticeships.

295. **Resolved** – that the High Education Strategy 2016-2020 be approved.

#### **QUALITY & STANDARDS COMMITTEE**

296. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee held on 23 November 2016.

#### Higher Education

297. The Chair of the Committee noted that, following detailed consideration of a report on HE quality and performance and other oversight during the year and under the authority delegated by the Board, the Committee had agreed that the Principal sign the annual return to HEFCE to confirm that:

- The Committee, on behalf of the Board of Governors, had received and discussed a report and accompanying action plan relating to the continuous improvement of the student academic experience and student outcomes. This included evidence from the provider's own periodic review processes, which fully involved students and included embedded external peer or professional review.
- The methodologies used as a basis to improve the student academic experience and student outcomes were, to the best of the Committee's knowledge, robust and appropriate.
- The standards of awards for which the Board of Governors was responsible had been appropriately maintained.

298. It was also noted that the HE fees for 2017/18 had been confirmed by OFFA.

#### Further Education

299. The Committee's consideration of the SAR and matters arising from the report on the Curriculum Delivery & Quality Improvement Strategy had been covered during the previous agenda item on the SAR.

## **RESOURCES COMMITTEE**

300. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 17 November 2016 (Parts I and II).

### Human Resources

301. Following the report of the largely positive findings of the Staff Survey at the October meeting of the Board, Members discussed the work commissioned by College management to further understanding the views of staff in areas where the feedback had been less positive. A Staff Governor outlined some of challenges in relation to strategic communications and to ensuring key messages reached all staff, outside of the regular All Staff meetings, and to supporting staff to engage. The Principal reported the new initiatives which had been introduced and management's continuing work, explaining that the further feedback related partly to inter-team communication.
302. Noting the analysis on staff pay since 2010 which had been considered by the Resources Committee, Members debated the recommendation that regrettably an all staff pay award was not affordable. As well as information about the proportion of staff receiving incremental salary and other increases, retention and comparisons with the pay in other sectors, Members recognised considerations such as cost of living and the variation between staff such as longer serving staff at the top of pay bands.
303. It was noted that, where pay increases were not affordable, organisations looked to other ways of recognising and thanking staff for their hard work and achievements and to sustaining morale through management and communications. The Deputy Principal explained the training being introduced for managers and supervisors on effective interaction skills.
304. Asked how the Board's decision would be communicated to staff, the Principal confirmed that the position regarding pay would be explained at the All Staff meetings in January 2017.
305. **Resolved** - that an all staff pay award was not affordable at this time and that College management continue to report to the Resources Committee on the budgetary position to establish if there was an affordable mechanism for a pay award in 2017/18.

### Property Strategy

306. The Principal provided an update on the resolution of the Resources Committee at minute 175 regarding the funding for the Hampshire Renewable Technology Centre, explaining that it had now been confirmed that it would be a requirement for the contracting for the construction firm to be tendered.
307. The Property Strategy report considered by the Resources Committee had included an update on the sale of the Westley Cottages and Committee had resolved to recommend to the Board the sale of one further Westley Cottage on the basis of management's assessment that the additional sale would not lead to the bank covenants being breached.
308. **Resolved** - that one further Westley Cottage be sold by the College (in addition to No 1 and the bungalow).

## **SEARCH COMMITTEE**



309. The Board had received the unconfirmed minutes of the Search Committee held on 24 November 2016.
310. The Chairman reported that the Search Committee had concluded that none of the candidates for the role of External Governor were appointable and that recruitment would recommence in 2017. The Clerk noted that nominations would also be sought from the Student Council at Andover College for a new Student Governor.
311. **Resolved** – that:
- a) The terms of reference of the Resources Committee be revised to increase the membership to include two co-opted members;
  - b) Neil Hopkins be appointed as a member of the Resources Committee from 1 January 2017;
  - c) Peter Lloyd be appointed as a co-opted member of the Resources Committee for a term of office of two years from 1 January 2017.

### **WELLBEING COMMITTEE**

312. The Board had received the unconfirmed minutes of the Wellbeing Committee held on 2 November 2016 and noted the information provided on equality & diversity, health & safety and safeguarding.
313. The Principal reported that he was following up with the AOC and Landex the identified need for the provision of health and safety benchmarking data.

### **HEALTH & SAFETY**

314. The Board had received the annual report of the College Health & Safety Manager written with the oversight of the Principal.
315. The Principal drew the Board's attention to the key points, confirming that, whilst any accident was always a cause for concern and taken very seriously, the level of accidents during 2015/16 was at a level consistent with previous years and which appeared to benchmark (as far as it was possible to measure) comparatively favourably with other colleges.
316. Responding to a member's question, the Principal agreed to report back to confirm the level of public liability insurance held by the College and that this was sufficient for operating in the agriculture sector.
317. The Board noted the report and the assurance that the College was managing health and safety rigorously and effectively.

### **SINGLE EQUALITY SCHEME**

318. The Board had received the proposed Single Equality Scheme which was presented in a new format and included the introduction of new impact measures under four key characteristics.
319. The Scheme was intended to align with the College's overall commitment to quality improvement and learner success but the objectives had also been broadened to focus on the wider College environment. The Scheme related to all members of the College, including employees, students, contractors and visitors, as appropriate.

320. The Scheme would be published and its effectiveness evaluated by the College's Equality & Diversity Steering Group and the Wellbeing Committee termly and by the Board annually.
321. In response to a Member's query, the Deputy Principal agreed that an additional criteria should be added to the data tables for people who elected not to identify as Female or Male.
322. The Chairman noted that the Search Committee would continue to seek to identify actions to support the measure of achieving a similar gender mix on the Board as to that of the College.
323. **Resolved** – that the Single Equality Scheme 2016-2020 be approved and published.

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

324. 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 2016/17 and summarising key developments at the College since the previous meeting of the Board. In summary, the Principal reported that progress was reasonable at this point of the academic year and that it was too early to provide a RAG rating for some of the annual milestones.
325. The Board noted that the College's Higher Education provision would in future be offered under the University Centre Sparsholt title.

#### **CHAIRMAN'S REPORT**

326. 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.
327. On behalf of the College, the Chairman recognised the enormous contribution of Mr P Lloyd over 12 years of service as a governor, in particular Mr P Lloyd's wide-ranging expertise and his support of the College and its learners. Members echoed the Chairman's gratitude and were pleased that Mr Lloyd's experience and expertise would be retained through his co-option to the Resources Committee.

#### **HEALTHCHECK REPORT**

328. The Board had received and noted the latest College Healthcheck Report (no. 2016/09).
329. Confidential items were discussed and are recorded separately. The meeting closed at 1.30 pm.