

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 12 October 2017 at 9.00 am

¹PRESENT Mrs E Bolton (S) ; Mrs Z Carter (E (to min 312); Miss C Duffy (St) (to min 326); Mr R Fawcett (E); Mr T Floyd (E); Mr A Hoad (E) (to min 276); Mr N Hopkins (E); Mr T Jackson (P); Mr S Morgan (E); Mr A Owen (E); Dr R Palmer (E); Mr C Wilson (E).

In attendance: Mr S Horrobin, Director of Finance (to min 326)
Mr M Simmons, Deputy Principal (to min 326)
Mrs S Willson, Clerk to the Corporation

APOLOGIES AND MEMBERSHIP

236. Apologies were received from Mr Coombes, Mr Rake and Mr Ward.
237. The Vice Chairman welcomed Mr Floyd and Mr Owen to their first meetings of the Board of Governors.

DECLARATION OF INTERESTS

238. As recorded in the Register of Interests, T Jackson and R Palmer noted their directorships of Westley Enterprises Limited in relation to the item covering some of the Westley Enterprises Limited activities. There were no new interests to declare.

MINUTES

239. **Resolved** – that the minutes of the meetings held on 6 July 2017 (Part I and II) be confirmed as a correct record, with minor corrections, and signed by the Vice Chairman.

Wellbeing (Min 199/17)

240. The Principal reported that ten smoking shelters had been erected on the Sparsholt College campus, in addition to the three already in existence on the Andover College campus, and that the new no smoking policy other than at these designated smoking areas had started well.

CHAIRMAN'S REPORT

241. 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.
242. The Vice Chairman echoed the Chairman's gratitude on behalf of the College to R Fawcett, who was approaching to the end of his final term of office as a governor, and to N Beck who would be completing this final term of office as a co-opted member of the Audit Committee in December.

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

QUALITY

Early indications for 2016/17

243. The Deputy Principal gave a presentation on early high level Self-Assessment Report (SAR) indicators for 2016/17, ahead of the SAR being received at the Quality & Standards Committee in November and the Board of Governors meeting in December.
244. The indicative results showed continued excellent performance in many areas, some improvements in those areas which had been problematic at the start of the previous year, and some specific challenges in relation to 19+ delivery.
245. The Deputy Principal assured the Board that the College retained a self-critical culture, with a determination to identify where improvements were needed and that the process of performance review was open and transparent.

Quality Performance Report

246. The Board had received the first of a new report on Quality performance measures which expanded on information previously contained in the monthly Healthcheck about the quality of FE provision and was intended to keep Board members informed regularly and in more depth about in-year performance measures and progress against the Quality Improvement Plan.
247. Responding to Members' questions about the performance of Computing, ICT and Construction, the Deputy Principal explained the measures that had been taken to raise performance and the way in which the Construction offer had been developed to meet the needs of the community and local employers, and the strategic aims going forward.

COLLEGE HEALTHCHECK REPORT

248. The Board had received the latest College Healthcheck Report (no. 2017/07), noting that, as it was the first report of the academic year, some of the standard data was not yet available.
249. The Principal outlined the latest position in relation to enrolments, confirming that overall the total income was in line with the two-year financial plan.
250. Members discussed the increase in students enrolling with Emotional, Health and Care Plans (ECHPs) in place and the resulting funding and cost implications. Asked about care leavers, the Principal explained that care leavers enrolled through normal routes but that the College provided a special point of contact to help provide support while at College.
251. Responding to a challenge as to whether the targets for HE students were ambitious enough, the Deputy Principal backed the current strategy, emphasising the recruitment challenges in relation to the demographic decline and competition. Given the external context, the Board recognised the positive achievement of a small growth in HE enrolments and an increase in learners progressing from FE to HE within the College.

COLLEGE POLICES

IT Policy

252. The Board had received the revised IT Policy and noted the key changes outlined in the covering report, including in relation to supporting compliance with the Data Protection Act and the new General Data Protection Regulation.
253. Asked about the policy and procedure for use of mobile devices and access to social media in relation to safeguarding, the Principal explained that this was covered in the

Social Media Policy which set out clear limitations on the use of social media. The Deputy Principal provided examples of some of the controls in place to help to ensure safe use of social media, including through investing in a new internet screen system, specifically designed in line with the Prevent agenda, which was currently at the testing stage and through filters already in place on the College's internal WAMadu platform.

254. **Resolved** – that the revised IT Policy be approved.

Student Code of Conduct

255. The Board had received the proposed revised Student Code of Conduct which provided a clearer and more concise summary of key examples of expectation and new references to British Values and the need to wear a student ID badge.

256. **Resolved** – that the revised IT Policy Student Code of Conduct be approved.

Health & Safety Policy

257. The Board had received the proposed new section on Lockdown procedures for the Staff Health & Safety Policy for approval and the new sections on Lockdown for the Staff and Student Health & Safety Procedures for information.

258. The Principal explained that the details of how the procedures would work were still being developed following advice received from the police about the alarm and siren signals and that this section of the procedures would be updated when the new systems were in place. The police had been involved in advising on the lockdown procedures.

259. Members commended College management for the commitment to introduce the new procedures and noted that it would be difficult for the College to practice lockdown procedures without unsettling students. The Principal agreed that it was important not to undermine students sense of being safe at College.

260. **Resolved** – that the new Lockdown section in the Health & Safety Policy be approved.

STRATEGY

Strategic Plan 2016/17

261. The Board had received the fourth and final report of the Principal on the College's Key Strategic Objectives for the year to 31 July 2017. The Principal explained that the more up-to-date information on enrolments had been provided in the Healthcheck report.

262. The Board noted that the bulk of the annual milestones had been fully achieved and that the restricted capacity for further capital expenditure was a factor preventing progress in the current year and the likely continuation of this into 2017/18.

263. Members sought to understand whether there were also resourcing restrictions which would hamper delivery of annual objectives going forward and if there were areas where a change of funding could make a significant difference if this could be made available. The Principal agreed to keep this under review in the coming year.

264. The Board noted the implementation of a new learner records and parents reporting system (ProMonitor and Pro-Portal) which would enable better tracking and target setting for individual learners and, once Pro-Portal was fully operational, more dynamic communication with parents.

Strategic Plan 2017/18

265. 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 2017/18 (where information was available at this point of the academic year).
266. The Principal provided an update on delivery of work experience and the future (from 2019/2020 onwards) introduction of T-Levels which were designed to include high quality work placements. Members discussed some of the likely challenges and opportunities in delivering T-Levels, noting that the detailed requirements were still to be confirmed.
267. Asked whether Objective 11 in relation to the Centre for the Demonstration of Renewal Technologies required further updating, the Principal explained that it was too early to confirm whether the annual milestone would be achieved and agreed that it remained at risk.
268. Responding to a question about discussions with the University of Winchester in relation to Halls of Residence, the Principal reported that the University had not yet formally responded in relation to the College relinquishing a number of its leased rooms at Burma Road on a permanent basis, through amendment to the original lease, but that there was no financial risk as the University would want to use any rooms which the College was unable to allocate to its students.

New venture

269. The Board had received the report of the Principal recommending that the College join with a number of other land-based colleges to set up an End Point Assessment Company, in partnership with another Awarding Organisation, most likely Lantra.
270. The new company, known as Land Based Assessments Ltd (LBAL), would be separate but wholly owned by the colleges and work with, say, Lantra to provide End Point Assessment services to colleges and other training providers.
271. The Board noted the proposed Memorandum of Understanding between LBAL and Lantra and the assessment of the main operational risks of the new company.
272. Members discussed the financial and governance oversight of the new company, including in relation to managing overheads and the division of profits, noting that the College Principal was not on the LBAL Board of Directors. The Principal explained that LBAL would provide reports to the investing colleges, including at the AGM where shareholders could formally hold the directors to account, and that administrative services would be provided by Landex, of which the Principal was a Director. The minutes of the AGM could be provided the Board of Governors for information.
273. The Board was supportive of a further £5,000 being invested by the College in the set up for Land Based Assessments Ltd company.
274. **Resolved** – that the College enter into shared ownership of Land Based Assessment Ltd and that the Principal be authorised to sign the Memorandum and Articles of Association.

RISK MANAGEMENT

275. The Board had received from the Principal the Risk Management Plan 2017/18 which outlined the College's approach to risk management and the main responsibilities and procedures for managing risk and set out the risk register monitoring framework.
276. Referring to the minutes of the Quality & Standards Committee meeting on 21 July, the Chair of the Audit Committee noted the discussion about challenges in relation to levels

of support for residential disabled students and whether there were risks which required explicit reference in the risk register. The Principal explained the wider context in relation to access, and also provision of appropriate support once enrolled, and agreed to consider whether to recommend reflecting this in the risk register.

277. Responding to a Member's questions about other potential areas of developing risk, the Principal agreed to consider whether to add cyber security under Risk 7.6 and whether to include a reference to the new General Data Protection Regulations.
278. **Resolved** – that the Risk Management Plan 2017/18 be approved.

FINANCE

Two Year Financial Plan

279. The Board had received the report of the Director of Finance & Facilities on the end of year financial position 2016/17 and early indications on progress with the 2017/18 and 2018/19 two-year financial plan. The report highlighted the overall challenging financial position for the FE sector, as set out in the AOC's submission for the Autumn Budget.
280. The Board noted the early indications for the financial outturn for 2016/17 and that the College remained on track for a "Good" financial health rating from the ESFA.
281. Members discussed the College's cash position, the cash flow forecast and the role of the cash position in relation to bank loan covenants, the ESFA financial health outcome and the assessment of pension actuaries.
282. In relation to 2017/18 and 2018/19, it was reported that current financial plan looked, at this early stage, to be a sound basis on which to continue to plan, taking into account HE enrolments appeared to be marginally above budget, the more complex picture of variations in FE enrolments against budget year to date, and the intended £300k of savings and forecast rental income from the planned anaerobic digester plant in 2018/19.

Bank covenants

283. The Board had received the report of the Director of Finance & Facilities, Head of Procurement and Finance Manager in relation to the banking loan covenants and an opportunity for funding the introduction of improved lighting at Andover College
284. The report updated the Board on discussions with Barclays Bank regarding the change of banking covenants for the College's current loan with Barclays which was required to allow for the FRS 102 accounting standard. As a result of additional testing undertaken after the Resources Committee meeting, College management now recommended that discussions with Barclays be re-opened to seek to change one of the two proposed covenants to reduce the risk profile in relation to the variability of creditors to bring the risk profile more in line with the current covenant.
285. The Vice Chairman commended the thoroughness of the work being undertaken by College management and recognised the importance of reaching the best outcome for the College.
286. The Director of Finance explained that the Principal and he had had a positive meeting with Barclays and Barclays had accepted the proposed revised approach. The aim was to conclude the discussions with Barclays in time for signing off the College's statutory accounts and, if this was not possible, the Board could take assurance that the external audit partner had confirmed by email that it would be possible for the auditors to agree

that the College remained a going concern on the basis that there was clear intent shown from both parties to commit to a covenant.

287. **Resolved** – that College management seek to renegotiate one of the two proposed new covenants with Barclays Bank Plc in respect of the £4m loan facility originally dated 8 July 2010.
288. In relation to the covenants for other existing bank loans, the Board noted that, whilst the College continued to generate both small surpluses and underlying cash, the management of the 15 covenants remained both complex and challenging.

Salix loan

289. The Director of Finance & Facilities explained the opportunity for the College to pursue a contract to fit LEDs funded via a Salix interest free finance loan, the details of which had been scrutinised by the Resources Committee which recommended the proposals for approval. The Premises team had arranged to visit another college to see the lighting solutions which were proposed for Andover College in action.
290. The Director of Finance & Facilities reported that the contract with Energys was in the process of being finalised.
291. **Resolved** – that the College enter into a loan with Salix Finance Limited for the sum of £199,718 and that the College commission Energys (a trading company of Energy Conservation Solutions Ltd) to undertake a fixed price capital project costing £200,505 to commence in December 2017 and finish in June 2018.

WESTLEY ENTERPRISES

292. The Board had received the report of the Director of Finance & Facilities on the financial governance and accounting of activities related to Westley Enterprises Limited (“Westley”) and the College.
293. The Director of Finance & Facilities reported that, in addition to the legal and professional advice summarised in the report, legal advice had also been received to confirm that the activities proposed to be categorised as under the remit of Westley were in line with Westley’s Memorandum & Articles. Additional work was commencing to review the agreements in place between the College and Westley to ensure these continued to be fit for purpose.
294. Responding to a Member’s question about levels of income from use by clubs and societies, the Staff Governor (and Commercial Business Development Manager) explained that overall income was positive but that there was variation year in year in the types of clubs and use of facilities.
295. The Board noted that, where appropriate, the proposals would also be presented to the Westley Board of Directors for approval. The Board also noted that the changes would necessitate additional work for the Finance team which put some pressure on the timetable for finalisation of the statutory accounts, although the Director of Finance & Facilities anticipated that, subject to the auditors’ work, the accounts should be ready for consideration at the relevant meetings.
296. **Resolved** – that the proposed approach to the contracting, invoicing and accounting of the activities described in the report be approved.

QUALITY & STANDARDS COMMITTEE

297. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee (Q&S) held on 21 July 2017.
298. The Vice Chairman reiterated the gratitude expressed by the Committee to the former Head of Student Services, Paul Daniel, commending his leadership of a strong culture of student support. The Deputy Principal reported that the new Head of Student Services, Annie Thompson, had started at the College.
299. Referring to the approval of a revised SEND Policy at minute 71/17, the Deputy Principal explained that College management had reflected further on the way in which the policy was expressed and considered that it was necessary to reword some sections to ensure all circumstances were covered.
300. **Resolved** – that the Vice Chairman (and Chair of Q&S) be delegated to approve future revisions to the SEND Policy.

RESOURCES COMMITTEE

301. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 27 September 2017 (Parts I and II), together with the proposed Memorandum of Understanding in relation to the Fawley Waterside Project. The minutes were introduced by the Vice Chairman, in the absence of the Chairman.
302. The Board noted that the resolution at minute 166/17 recommending approval of the new agreement with Barclays Bank Plc in respect of the £4m loan facility originally dated 8 July 2010, as presented to the meeting of the Resources Committee, was withdrawn on the basis reported earlier in the meeting that College management was seeking revisions to the proposed covenants.
303. The Director of Finance & Facilities explained that Barclays' initial requirement for the resolution of the Board with regard to the revised covenants to be unanimous had been withdrawn by the bank.
304. **Resolved** – that the College enter into the proposed Memorandum of Understanding with Fawley Waterside Limited in relation to discussions about the Fawley Waterside project.

SEARCH COMMITTEE

305. The Board had received the unconfirmed minutes of the meetings of the Search Committee held on 27 September 2017.
306. The Board noted the recommendation of the Committee to appoint Mr Adrian Neal to the Board when a vacancy arose from 12 December 2017 following his interview the previous term, subject to confirmation that his circumstances had not changed. The Principal confirmed that he had spoken to Mr Neal and that he had confirmed his interest in joining the Board and that there were no new developments in relation to his activities or interests.
307. **Resolved** – that Mr Adrian Neal be appointed as a member of the Board of Governors for a term of office of four years commencing on 14 December 2017.
308. The Board noted that the Clerk would commence the process of inviting nominations for Chairman in the Autumn term, ahead of the Chairman completing his term of office on 31 July 2018.

309. External Members were asked to contact the Clerk if they were interested in being appointed as the Board's representative on the Andover Town Football Club Limited Board of Directors from 12 December 2017.
310. The Board noted the minutes in relation to succession planning for Senior Post Holders and that, in light of the Deputy Principal giving notice that this last day in his post would be 31 July 2018, the Board was required to appoint a Selection Panel of the Principal and at least three other Board members to decide the arrangements for selecting and interviewing applicants and making recommendations to the Board. It was noted that the Chairman had explained he was content not to be member of the Panel given his likely availability during the recruitment timetable and the fact that he would be retiring from the Board in July 2018 but that he would be available to offer support and advice.
311. **Resolved** – that the Principal, Vice Chairman, Z Carter, R Palmer and C Willson be appointed as members of the Selection Panel and that A Owen and T Floyd be confirmed as substitute members of the Selection Panel should two or more of the other Panel members become unavailable during the selection process.
312. **Resolved** – that the terms of reference of the Search Committee be updated to reflect the previous decision of the Board that the Committee "Provide an annual report to the Board of the work of the Committee, including in relation to recruitment and equality and diversity, which may be in the form of the minutes of the Committee".

GOVERNANCE

313. The Board had received the report of the Clerk on the outcomes of the Board's performance effectiveness review for 2016/17 and related governance matters.
314. The results of the questionnaire completed by Board members, together with the annual performance reviews conducted by each committee and feedback on activities during the year, indicated overall confidence that the Board was continuing to operate effectively and the Board noted that no significant concerns had been identified by Board members.
315. The Board also noted that the internal audit review of governance and risk management, conducted by RSM, had reported to the Audit Committee in March that the Board could take substantial assurance for the controls in this area were suitably designed and operating effectively.
316. Members want on to discuss the potential value of seeking external validation of the overall Board performance effectiveness review through, for example, the AOC National Leaders of Governance programme, peer reviews with other college boards, benchmarking of data (currently limited to attendance statistics), input from external stakeholders or use of corporate governance consultants. It was noted that the Ofcom Common Inspection Framework included the effectiveness of leadership and management and that the Landex peer review also provided external feedback which could be relevant to the Board's operations. Members agreed that, while there were no areas identified as requiring further investigation currently, nonetheless the Board would not want to become complacent and that there could be value in seeking some form of external validation periodically.
317. The Board discussed the work of the committees, agreeing that the overall committee structure continued to work well and that the Committee Chairs had an important role in highlighting to the Board key matters from the committees' minutes, including in relation to risk management. Members also agreed that there was value in rotating committee

membership from time to time to develop individual Members' range of knowledge, balancing this with the need to maintain an appropriate level of expertise on each committee. Members were supportive of appointing an additional External Member to the Quality & Standards Committee.

318. In relation to governors' programme of training and development and future Seminar topics, Members agreed that sessions on matters related to quality performance were valuable and it was proposed that there might be value in governors being presented with some examples of "case studies" of students journeys through the College. Members also discussed possible future sessions on strategic development, in the context of government policy and funding challenges.
319. **Resolved** – that the Safeguarding Lead Governor role summary be approved and that Chris Wilson be appointed as Safeguarding Lead Governor for an initial term of office of one year and that the Board of Governors review whether to continue with the role in this format in a year's time.
320. Confidential items discussed are recorded separately. The meeting closed at 1.20 pm.