

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 13 December 2017 at 9.00 am

¹PRESENT: Mrs E Bolton (S)(to min 424) ; Mrs Z Carter (E)(to min 439); Mr M Coombes (E); Mr T Floyd (E); Mr A Hoad (E); Mr N Hopkins (E)(except min 411); Mr T Jackson (P); Mr S Morgan (E); Mr A Owen (E); Dr R Palmer (E); Mr S Ward (E); Mr C Wilson (E).

In attendance: Mrs S Grant, Vice Principal, Corporate (to min 424)
Mr S Horrobin, Director of Finance (to min 424)
Mr A Neal, Governor Designate
Mr M Simmons, Deputy Principal (to min 424)
Mrs S Willson, Clerk to the Corporation (to min 447)

LONG SERVICE

320. The Chairman presented a long service award to George Hide, Lecturer Fishery Studies, and noted the long service award for Mandy Smith, Exams Co-ordinator, in her absence. The Board thanked both members of staff for their contribution to the College over the last twenty-five years.

APOLOGIES

321. Apologies were received from Miss C Duffy and Mr G Rake.

DECLARATION OF INTERESTS

322. Mr A Owen explained for the purposes of transparency with regard to any discussions about the Hampshire Local Government Pension Scheme (LGPS) that he was a member of the Scheme as an employee of Hampshire County Council (HCC) and that his line manager at HCC was an adviser to the Scheme but that he personally had no professional involvement with the Scheme.

323. The Board's Register of Interests includes Members who hold (unremunerated) directorships of the College's subsidiary companies, as previously reported to the Board.

MINUTES

324. **Resolved** – that the minutes of the meetings held on 12 October 2017 (Part I, II and III) be confirmed as a correct record and signed by the Chairman.

Property (min 290-291/17)

325. The Director of Finance & Facilities reported that the College had now signed the contract with Energys to install energy efficient lighting in buildings on the Andover College campus and that work had commenced.

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

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. With reference to the Chairman’s report of his visit to Foundation Learning, the Principal was gratified to note the Chairman’s experience was consistent with observation of teaching and learning being well embedded and accepted culturally within the College.

PRINCIPAL’S REPORT AND STRATEGIC PLAN

328. 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 and summarising key developments at the College since the previous meeting of the Board.
329. In summary, the Principal reported that progress against the Annual Milestones was on track, although there were three Milestones assessed as having some risk of not being achieved fully by the end of the year. The update on enrolled student numbers in the current year and prospects for 2018/19 showed some material adjustments to the budgeted income as a result of a reduction in 19+ FE enrolments (partly as a result of re-categorisation in relation to funding, together with the removal of some previously funded provision from that which the SFA would allow to be funded in the future). While actions had been taken to increase numbers to fulfil the funding allocation, the changes in delivery resulted in a deterioration on the planned budget in 2017/18 which the Principal confirmed would be accommodated without jeopardising the year end position.
330. Other key funding developments reported included the submission of a bid to the Work Placement Capacity and Delivery Fund for additional income from April 2018 (related to building up capacity to deliver the new requirements for high-quality work placements for technical qualifications from 2018/19) and the latest apprenticeships funding allocation.
331. Responding to a Member’s question about the practical implications of the reduction in apprenticeship funding, the Vice Principal, Corporate explained that the ESFA statement referred to “initial funding” and the College was seeking clarity about the period covered by the funding and would review the position once the funding was confirmed with the potential to make a case for a subsequent “growth allocation”.
332. The Board expressed disappointment about the impact of funding changes and uncertainties on the College’s ability to plan and deliver skills training for employers and the community but endorsed the actions being taken by management to mitigate the resulting risks.
333. Members discussed the update on the continued rise of students presenting with mental health concerns, noting that this was common across the country and that it had been reported at the Hampshire Safeguarding Children Board that there had been a 23% increase in referrals to Child and Adolescent Mental Health Services (CAMHS).

HEALTHCHECK REPORT

334. The Board had received and noted the latest College Healthcheck Report (no. 2017/09)
335. The Principal explained that HE applications for 2018/19 had been flagged with a Red indicator because the numbers received to date were lower year on year. However, there were some indications that the UCAS applications were being completed later than

previously. The year on year trend would become clearer after January 2018. Asked if the current lower numbers were in any particular subject area, the Principal explained that they were across the board.

QUALITY

Self-Assessment Report

336. The Board had received the Self-Assessment Report (SAR) for 2016/17, including the final Further Education (FE) achievement rates and an update on the Quality Improvement Plan (QIP) for 2017/18.
337. The Deputy Principal highlighted the key headline judgements against the Common Inspection Framework (CIF) and explained the self-assessment process and the supporting detailed report and evidence which underpinned the report to the Board.
338. The Board welcomed areas of provision of significant strength, as evidenced in the SAR, and noted that the College continued to make definite progress in addressing those areas of provision which would enable Teaching, Learning and Assessment (and commensurately Outcomes for Learners) to continue to improve, with a range of actions set out in the QIP. The Board also noted the excellent achievements in relation to “value-added” in the A level provision at Andover College and the evidence of robust arrangements for the safeguarding of learners.
339. The SAR had been scrutinised in detail by the Quality & Standards Committee and Members had discussed some of the curriculum areas which had been identified previously at requiring improvement and the progress made, being satisfied that management understood the issues and continued to take actions to provide the best possible outcomes for learners.
340. Responding to a Member’s question about the decline in achievement rates for 19+ learners and whether this was related to enrolments, the Deputy Principal explained that there had been a detrimental impact of the withdrawal of government funding in terms of the recruitment of 19+ provision. There were, however, some positive signs in terms of adult unfunded learners opting to use FE learner loans to fund their courses at the College. In terms of the achievement of enrolled students, there were some courses where adult learners preferred not to take the final exams and this had had a negative impact on overall achievement rates. It was also clarified that, whilst the achievements of those on access courses was lower than College norms, achievement was nevertheless above national rates.
341. The Board commended the transparency and clarity of the SAR and the quality of the leadership and management of the College in the context of a financially challenging funding landscape and the continuing growth of learners declaring with SEN and other needs.
342. **Resolved** – that the College Self-Assessment Report for 2016/17, and associated Quality Improvement Plan, be approved.

Quality Healthcheck Report

343. The Board had received the latest Quality Healthcheck Report, which provided an assessment of progress against areas identified for improvement at the last Ofsted inspection (2014), areas for improvement identified in the last SAR and in-year performance measures.

344. Members discussed the performance indicators and evidence of improvements being made through the QIP effectively addressing issues previously identified, for example through teaching and learning observations. Members recognised the challenges in areas such as Construction, which had small numbers of students and a single teacher for each subject, and where there was therefore potentially less resilience if issues arose in the future with teaching despite quality improvements having been made.

AUDIT COMMITTEE

345. The Board had received the unconfirmed minutes of the Audit Committee meeting held on 14 November 2017, together with the completed Regularity Audit Questionnaire, the annual Internal Audit Report and the Audit Committee's Annual Report to the Board of Governors for information.
346. 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 2016/17.
347. The Chair of the Audit Committee highlighted the discussion of the Learner Number Systems internal audit and the conclusion of the Committee that there were no risks to funding compliance. The Vice Principal, Corporate added to the summary in the minutes confirmation that the contractual funding obligation was for learner hours and not specifically for work experience.
348. **Resolved** – that the Regulatory Audit self-assessment questionnaire be signed by the Chairman and Principal, as Accounting Officer.
349. **Resolved** – that the Internal Audit Plan for 2017/18 be revised to replace an audit of Capital Projects with an audit of the College's approach to data protection.
350. **Resolved** – that the previous resolution of the Board of Governors (64/17) to appoint KPMG as financial statement/regularity auditors for a further year to cover the completion of the 2017/18 statutory accounts be extended to also cover the completion of both the 2018/19 and 2019/20 statutory accounts.
351. 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 and expressed the gratitude of the College to Mr N Beck who had completed his last term of office as a Co-opted Member.

WESTLEY ENTERPRISES LIMITED

Accounts

352. The Board had received for information the minutes of the meeting of the Board of Directors of Westley Enterprises Limited (Westley) held on 8 November 2017 and the approved Directors' Report and Financial Statements for the year ended 31 July 2017.

Legal Agreement

353. The Board had received a draft new legal agreement which sought to update the existing agreements which were in place between the College and Westley. The new agreement and the four existing agreements had been reviewed the Resources Committee and the new agreement had been approved by the Westley Board of Directors.

354. **Resolved** – that the legal agreement between Sparsholt College Hampshire and Westley Enterprises Limited be approved and signed by the Principal on behalf of the College.

ANDOVER TOWN FOOTBALL CLUB LIMITED (ATFC)

355. The Board had received the minutes of the meeting of the ATFC Board of Directors of 10 November 2017 and the Directors' Report and Financial Statements for the year ended 31 July 2017.
356. The Principal drew the attention of the Board to matters related to the future development of the Club, explaining that promotion to the Southern League was a possibility given the Club's performance this season and that the Board of Directors would need to consider the advantages of this to sustaining the Club's future alongside the expected additional running costs and delivery of its strategic objectives.
357. Members agreed that it was important that the ATFC Ltd Board of Directors understood the costs to the Club of promotion and how these would be funded, including in relation to options for players, setting financial boundaries and being clear how the Club would continue to provide appropriate playing opportunities to benefit the experience of College students.
358. Asked about the reference to safeguarding of under 18-year-old players, the Principal explained that Academy players' supervision was by College staff who were all DBS checked and that the arrangements for those Academy players when playing at ATFC were being reviewed and would be reported to the ATFC Ltd Board.
359. Responding to a Member's question about the connections of the Club to the community in Andover, the Principal explained the relationship with Andover Town Youth FC and the involvement of local volunteers and sponsors in the Club.
360. The Board noted that R Fawcett had resigned as a Director following the completion of his term of office as a governor and expressed gratitude for his contribution to ATFC Ltd and his continued interest in the Club.

FINANCE

Financial Plan

361. 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 (2017/18 and 2018/19). The October Management Accounts were received separately.
362. The Board noted the high-level reforecast of the 2017/18 income and expenditure account indicated that the College would achieve the underlying targeted surplus of c£300k.
363. The Principal highlighted the outcome of the 19+ Adult Skills Budget (ASB) allocation in 2017/18 and the actions being taken to protect the year-end financial position, as well as the continued uncertainties in relation to Apprenticeship allocation for non-levy employers and the transition of the ASB to an Adult Education Budget (AEB) in future years which was likely to be devolved to LEPs to allocate.
364. Asked about the savings set out in the two-year financial plan in relation to staff costs, the Principal explained that there was likely to be a continued need for staff savings but that the initial aim of £308k had been modified to c£200k.

365. The Board noted that the Principal had authorised a recommendation by the Director of Finance & Facilities to commit an additional unbudgeted £40k of capex on training vehicles for land based curriculum delivery in order to achieve better value for money than the previous leasing arrangements.
366. **Resolved** – that the Financial Regulations Part 2 be revised to include the issuing of a College credit card to the Director of Zoo Management Studies with a limit of £1,500.

Annual Report and Financial Statements

367. The Board had received the draft Annual Report and Consolidated Financial Statements for the year ended 31 July 2017, together with the draft letter of representation and the External Auditor's management letter. The recommendations of the Audit Committee and the Resources Committee were noted.
368. 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.
369. The Director of Finance & Facilities highlighted a number of other points in KPMG's management letter, as noted at the Audit Committee meeting, including the pension assumptions which varied from the standard LGPS actuarial assumptions and had been confirmed by KPMG as reasonable.
370. The Chairman noted that there were only two audit differences reported by KPMG (one for the College and one for Westley), both having been known and understood by College management, and that this reflected positively on management of the year end accounts.
371. The Director of Finance & Facilities reported that management had now tested the statutory accounts through the ESFA model and this had confirmed a financial health rating of "Good". The accounts would now be submitted to the ESFA.
372. **Resolved** – that the Annual Report and Consolidated Financial Statements for the year ended 31 July 2017 and the letter of representation be approved and signed on behalf of the College.

Bank loan covenants

373. The Board had received the report of the Director of Finance & Facilities updating the proposals discussed at the previously meeting of the Board of Governors to change the College's agreement and bank loan covenants the existing loan with Barclays Bank.
374. The Principal reported to the meeting that it is proposed that the College enter into an amendment letter (the "Amendment Letter ") with Barclays Bank PLC (the "Bank") in respect of a £4,000,000 facility originally dated 8 July 2010.
375. The Chairman reported that the Board must consider the Amendment Letter and in particular it was noted that, pursuant to the terms of the Amendment Letter, the financial covenants in the Facility Letter were to be amended.
376. The Chairman reminded the Board of their duty to promote the success of the College (both in relation to the Amendment Letter and generally).
377. The Board considered in detail the form of the Amendment Letter and the risks to the College in entering into the Amendment Letter, namely that the College would have to meet the new financial covenants set out in the Amendment Letter, as failure to do so

would constitute an Event of Default under the Facility Letter. Whilst these consequences were serious, the Board considered that the College would be able to meet its obligations when due.

378. The Board considered whether it was in the best interests of the College to enter into the Amendment Letter and to execute and deliver the Amendment Letter.

379. After due and careful consideration, bearing in mind the Board's duty to promote the success of the College, it was the conclusion of the Board that (a) the College should enter into the Amendment Letter and perform its obligations and exercise its rights in relation to the Amendment Letter and the amended Facility Letter and (b) to do so would be of benefit to the College.

380. **Resolved** – that:

- a) the College, in good faith and for the purpose of carrying on its business, enter into the Amendment Letter and perform its obligations and exercise its rights in relation to the Amendment Letter and the Facility Letter;
- b) the following officers of the College (each an "Authorised Signatory" and together the "Authorised Signatories") be authorised to sign on behalf of the College the Amendment Letter and return the signed counterpart to the Bank:
 - Tim Jackson, Principal
 - Stephen Horrobin, Director of Finance & Facilities;
- c) the terms of the Amendment Letter be and are hereby approved (subject, in each case, to such amendments as the Authorised Signatories (acting together or alone) may approve and so that the signature of the Authorised Signatory shall be conclusive evidence of the agreement to such amendments or modifications); and
- d) the Authorised Signatories (acting together or alone) be authorised to agree and sign on behalf of the College all such other documents, agreements, certificates, notices, communications or confirmations, and to do all such other things, as may be required, or as any Authorised Signatory may approve, in connection with the Amendment Letter.

FEES POLICY

381. The Board had received the Fees and Bursaries Policy for 2017/18 be approved and noted the recommendation from the Resources Committee.

382. Members noted an incorrect date at section 6.2 in the policy and the Vice Principal, Corporate undertook to update this.

383. **Resolved** – that the Fees and Bursaries Policy for 2017/18 be approved as amended.

CURRICULUM, EMPLOYERS & MARKET REQUIREMENTS COMMITTEE

384. The Board had received the unconfirmed minutes of the meeting of the Curriculum, Employers Market Requirements Committee (CEMR) held on 3 November 2017.

385. The Chair of the Committee drew the attention of the Board to the discussion of risks to recruitment and curriculum development relating to the demographic challenge and the measures being taken by management in relation to land-based at the Sparsholt campus and increased market competition for Andover College. The Chair of the Committee also noted the ongoing reporting on risks and opportunities related to Apprenticeship reforms.

386. The Principal confirmed that he had contacted Landex to instigate a survey of land-based enrolment levels to provide comparative benchmarking data.
387. Asked about planning linked to population growth through housing development in the Andover area, the Principal explained that analysis of schools' intake showed that the area currently continued to follow the general demographic trend.
388. Members discussed the breadth of the A level offer at Andover College and whether demand could be sufficient at some future point to make it cost effective to increase the range of A levels offered if this was right for the future development of the College.
389. The 3 Year Curriculum Plan (reviewed annually) and the annual Recruitment report, both of which were presented to CEMR, provided opportunities for the Board to engage with management's analysis and the Board agreed that consideration be given to a session at the May 2018 Governors' Seminar on the Curriculum Plan.

QUALITY & STANDARDS COMMITTEE

390. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee held on 23 November 2017.
391. The Chair of the Committee commended the report from the Dean of Higher Education and thanked T Floyd for attending the HE Board of Studies meeting.
392. 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:
 - a) 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;
 - b) The methodologies used as a basis to improve the student academic experience and student outcomes were, to the best of the Board of Governors' knowledge, robust and appropriate;
 - c) The standards of awards for which the Board of Governors was responsible had been appropriately maintained.
393. The Committee's consideration of the SAR and the In-Year FE Performance report (Quality Healthcheck) had been covered during the previous agenda items. The Vice Principal Corporate added to this further explanation about achievement rates linked to difficulties with two associates in 2016/17 (through insolvency), noting that the same associates had performed strongly the previous year. Management recognised that the recent results were not good enough for the learners involved and extensive actions had been taken to ensure improved outcomes for learners. The College valued its associate providers and the opportunities they provided to the College's offer for learners.

RESOURCES COMMITTEE

394. The Board had received the unconfirmed minutes of the meeting of the Resources Committee held on 16 November 2017 (Parts I and II).

395. The Chairman highlighted key points, noting the award of an unconsolidated bonus to qualifying staff in December and the continued desire of the Board to make a salary award to all staff when it was affordable to do so.
396. Following the news that Test Valley Borough Council was looking at the development of land adjacent to Andover College and the potential opportunities this raised for the Andover campus, the Board noted that the resolution of the Committee in relation to the Music Academy (Cricklade House) and Premises Bungalow was withdrawn.
397. The Board noted the confidential minutes in relation to the use of market supplements which remained within the agreed policy and that the Committee had recommended an amendment to the policy to provide the Principal with greater flexibility to authorise market supplements within the agreed financial limits.
398. **Resolved** – that the Principal be authorised to apply an unconsolidated market supplement for a maximum of 20 posts at any one time and to a maximum value of £7,500 pa per post and £150,000 pa total without further recourse to the Board of Governors.

WELLBEING COMMITTEE

399. The Board had received the unconfirmed minutes of the Wellbeing Committee held on 7 November 2017, which covered equality & diversity, health & safety and safeguarding, and the Policy for the Administration of Medicines and Medical Requirements.
400. The Board noted the information provided on equality & diversity, health & safety and safeguarding.
401. The Principal explained that annual report on Health & Safety would be presented to the next meeting of the Board and noted that the Wellbeing Committee was confident that Health & Safety at the College was being properly and effectively managed. The Principal highlighted the declining trend for accidents year on year.
402. **Resolved** – that the Health & Safety Policy & Procedures be updated to reflect the Lockdown Procedures now implemented on the Andover College campus and the changes to the list of smoking shelters on the Sparsholt College campus; and that authority be delegated to the Principal to agree further updates to the details of Lockdown Procedures and smoking shelters on both campuses as necessary.
403. Responding to a Member's query about the proposed updated Policy for the Administration and Medical Requirements as to whether the wording on disclosure of medical information should be revised for under 18-year-old students, the Deputy Principal agreed to reflect and revise the wording appropriately.
404. Asked how the administration of medicine by designated staff, when required, was monitored, the Deputy Principal explained that the administration was undertaken by the College Nurse and covered by her supervision by the Head of Student Services.
405. **Resolved** – that the Policy for the Administration of Medicines and Medical Requirements be approved with the section on the disclosure of medical information to be finalised by the Deputy Principal.

SINGLE EQUALITY SCHEME

406. The Board had received the report of the Deputy Principal on progress against the Single Equality Scheme 2016-2020 and noted that the Scheme would be republished with updated staff and student data.

407. The Board recognised that the College had worked hard to articulate and share its values and ethos and continued to be committed to the intended impact statements set out in the Single Equality Scheme.
408. Members sought further clarity in relation to some of the position statements and data and noted the continued aim of having a governing body with a similar gender mix to the rest of the College.

GOVERNANCE

409. The Board had received the report of the Clerk to the Corporation on governance matters, including a number of proposed appointments.
410. The Board noted the letter of 17 November 2017 to all colleges from the former Chief Executive and Accounting Officer of the ESFA.
411. **Resolved** – that Neil Hopkins be appointed as the Chairman of the Board of Governors from 1 August 2018 for a term of office of four years.
412. **Resolved** – that:
- a) Adrian Neal be appointed as a member of the Curriculum, Employers & Market Requirements Committee from 14 December 2018;
 - b) the membership of the Quality & Standards Committee be revised to add an external member and removed a co-opted member and the Terms of Reference be revised accordingly;
 - c) Chris Wilson be appointed as member of the Quality & Standards Committee;
 - d) Sarah Jane Radford be appointed as a Co-opted Member of the Audit Committee from 1 January 2018 for a term of office of four years;
 - e) Joshua Blaber be appointed as a Student Governor from 1 January 2018 for the period of his enrolment at Sparsholt College;
 - f) Andrew Hoad be nominated for appointment as Director of ATFC Ltd in his capacity as a member of the Board of Governors.
413. Confidential items were discussed and are recorded separately. The meeting closed at 1.30 pm.