

STRATFORD-UPON-AVON COLLEGE CORPORATION

DRAFT MINUTES OF FINANCE COMMITTEE FRIDAY 12 MARCH 2010

Present :	Alan Richardson	Chair of Committee
	Mike Atkins	Governor
	Tony Jefferson	Governor
	John Latham	Governor
	Martin Penny	Principal
In attendance :	Charles Anderson	Deputy Principal
	David Jackson	Vice Principal – Resources / Clerk to the Corporation
	Norman MacDonald	Vice Principal – Finance

1. APOLOGIES

Apologies for absence had been received from Kay Taylor.

2. DECLARATION OF INTEREST

Members were invited to declare any interest in business to be discussed at the meeting, following which it was reported that Alan Richardson was Chair of Governors at Coventry University and John Latham was Pro Vice-Chancellor of Coventry University.

3. MINUTES OF THE LAST COMMITTEE MEETING

It was resolved **THAT:**

The minutes of the Finance Committee meeting held on 27 November 2009 be regarded as correct and signed by the Committee Chair.

4. MATTERS ARISING

There were no matters arising not dealt with elsewhere on the agenda as substantive items.

5. MANAGEMENT ACCOUNTS 2009/10

The Principal introduced the Management Accounts for the period 1 August 2009 to 31 January 2010, indicating that the half-year review had now been undertaken and was reflected in the January Management Accounts. The February Management Accounts, which were to be published later in the day, reflected a £140,000 year-end surplus at this time.

The Skills Funding Agency, to be known as The Agency, had requested that the College look again at the Train To Gain profile and the College had agreed to smooth the profile against a risk of not being funded for all the provision. This will incur a projected loss of £14,000 in the current financial year but smoothes the business pattern for future years.

The Principal drew attention to the issuing of funding statements followed by variations for which we do not have to sign. The Chair commented that this was the most worrying aspect in terms of lack of contractual arrangements which could be changed without any consultation.

The £14,000 would need to come out of the £140,000. Taking all other risks into account, this could reduce the potential surplus from £140,000 to £62,000 but there is still capital support funding of £62,000 to be included. There remains the possibility of other income and some operating cost savings which could generate as much as a £200,000 potential surplus.

The Committee went on to discuss the cash flow and outstanding debtors which were being well managed in difficult circumstances.

Whilst there still remained a risk around Summer School income, it was reported that the contract had now been signed and was in the post.

It was resolved **THAT:**

The Management Accounts for the period 1 August 2009 to 31 January 2010 be recommended to the Corporation.

- 6. INITIAL FUNDING ALLOCATIONS FOR 2010/11** - This item was deferred to later in the meeting.
- 7. FEES POLICY REVIEW**
The Deputy Principal presented the Fees Policy for 2010/11. Members questioned why the fees had been reduced for International activities. It was reported that, following market research, the College had been over-charging and the work was mainly infill and it was hoped that a reduction in fees may attract increased numbers of students.
It was resolved **THAT:**
The College Fees for 2010/11 be approved by the Committee.
- 8. NEW PROJECTS PROGRESS REPORT**
The Deputy Principal presented the New Projects Progress Report. The Committee reviewed and sought clarification on a number of projects and the actual status of the February 2010 additions.
It was resolved **THAT:**
The report be noted and the Committee look forward to these filtering through into the Budget in due course.
- 9. SOURCES OF SPONSORSHIP FOR TRUSTS AND CHARITIES**
The Committee reviewed the sources of sponsorship for Trusts and Charities, following which,
It was resolved **THAT:**
The Committee receive the report and look forward to future reports on successful bids reported through the New Projects Progress Report.
- 10. STRATFORD-UPON-AVON COLLEGE AT RUGBY UP-DATE**
The Committee reviewed the costs associated with the new Catering facility at Rugby and related it back to the financial forecast around student numbers and the break-even costs.
The Committee went on to consider the funding options for the capital equipment and the situation in relation to the legal agreements between both Colleges for this provision. Following further debate,
It was resolved **THAT:**
- a) The Committee note the current position in relation to the relocation of the premises at Rugby;
 - b) Delegated authority be given to the Principal to release an order for the kitchen equipment, subject to a contract being in place between both Colleges, and provided the loan is approved in accordance with c) below;
 - c) Approval in principle to the College entering into a bank loan of up to £400,000 repayable over five years, provided that it does not affect the interest rates on the current loans or vary the covenants to the College's detriment. Should the Bank insist on amending the interest rates on the current loans or provide a covenant waiver letter, the equipment would need to be funded from cash balances and the £25,000 supplier cash discount would not be available, subject to further discussions with the supplier.
- 11. ACCOMMODATION WORKING GROUP**
The meeting reviewed the minutes of the Accommodation Working Group meeting held on 24 November 2009 and the Vice Principal – Resources outlined the discussion that had take place at the Accommodation Working Group meeting held the previous day.
The Committee recognised that the Accommodation Working Group was a sub-Committee of the Finance Committee and would need this Committee to determine the shape and funding for the final strategy.
It was resolved **THAT:**
The Committee request a paper be presented to the next meeting on funding of future capital and revenue projects.

12. MUTUALITY

The Committee reviewed the current insurance arrangements for the College, following which,

It was resolved **THAT:**

The Committee record its satisfaction with the current insurance arrangements.

13. IDENTIFICATION OF REPORTS TO FUTURE MEETINGS

It was resolved **THAT:**

Other than that referred to in item 11, no additional reports were identified.

14. ANY OTHER BUSINESS

There was no other business.

15. DATE OF NEXT MEETING

It was resolved **THAT:**

The Finance Committee meet again on:

**Friday 9 July 2010 at 8.30am; and
Thursday 22 July 2010 at 12.15pm, if required.**

6. INITIAL FUNDING ALLOCATIONS FOR 2010/11 (*deferred from earlier in the agenda*)

The Principal outlined the Funding Allocations for 2010/11, which informed the first draft of the 2010/11 Budget, and showed a significant reduction in Government funding across all areas of funding activity. He explained that the College Executive was currently looking at the implications of the reduction and considering the possible impact of the withdrawal of the transport subsidy from Warwickshire County Council which could impact significantly on SWIFT and Diploma students.

In preparing the Budget for 2010/11, the College was looking to achieve a £500,000 surplus in order that resources could be deployed to address capital issues. Following a protracted discussion,

It was resolved **THAT:**

The Principal continue to develop the College Budget for 2010/11 along the lines discussed, particularly in relation to the approach to cost reductions, the implications for structured change, and the approach to subsidised travel arrangements.

Signed :(Committee Chair)