

## STRATFORD-UPON-AVON COLLEGE CORPORATION

### DRAFT MINUTES OF FINANCE AND GENERAL PURPOSES COMMITTEE FRIDAY 24 JULY 2009

<b>Present :</b>	Alan Richardson	Chair
	Mike Atkins	Governor
	Tony Jefferson	Governor
	John Latham	Governor (items 7-10)
	Martin Penny	Principal
<b>In attendance :</b>	David Jackson	Clerk to the Corporation
	Charles Anderson	Deputy Principal
	Norman MacDonald	Vice Principal – Finance
	Kay Taylor	Vice Principal – Corporate and International Business Development

#### 1. **APOLOGIES**

Apologies were received from Elaine Rowlands.

#### 2. **DECLARATION OF INTEREST**

Members were invited to declare any interest in business to be discussed at the meeting, following which Alan Richardson reminded the Committee that he was a Governor of Coventry University.

#### 3. **MINUTES OF LAST MEETING**

It was resolved **THAT:**

The minutes of the meeting held on 10 July 2009 be regarded as correct and signed by the Committee Chair.

#### 4. **MATTERS ARISING**

Any matters arising will be dealt with at the main Autumn Term meeting of the Finance and General Purposes Committee.

#### 5. **MANAGEMENT ACCOUNTS 2008/09**

The Vice Principal – Finance introduced the Management Accounts for the period 1 August 2008 to 30 June 2009, together with the accompanying summary. He indicated that there remained some concerns around the income associated with Adult Learner responsiveness, with a possibility of claw-back in February 2010. The cash position was projected to be £200,000 by the end of the year and a meeting was due to take place the following week between the Bank, the Principal and Vice Principal – Finance to discuss Bank covenants. After further discussion,

It was resolved **THAT:**

The Management Accounts for the period 1 August 2008 to 30 June 2009 be recommended to the Corporation for approval.

#### 6. **'THE GATHERING STORM'**

Tony Jefferson presented a paper on the economic situation facing the country and related it back to Stratford-upon-Avon College. He considered that most people had not yet fully understood the scale of the problem facing the country where tax revenue was geared to GDP growth and there was currently £110billion shortfall. Any Government could not continue with the current level of public sector expenditure and it was highly likely that education would not escape cuts and the Government would be looking for cost savings. He considered that life will get tough in the public sector and it was critical that the College had well managed finances and be better positioned than most of its competitors.

At the end of the presentation, the Chair thanked Tony for a very informative presentation.

## **7. 3-YEAR FINANCIAL FORECAST**

The Vice Principal – Finance introduced both the 3-year Financial Forecast and, as requested at the 10 July meeting, an analysis of cash flow since 2007/08. The worst case scenario for 2009/10 was shown which indicated that the months of December 2009 to March 2010 were critical, with the need to operate with an overdraft for three months during this period. He indicated that the College was approaching the LSC seeking assistance with its cash flow for 2009/10 in view of the aborted expenditure around the capital building programme.

Turning to the 3-year Financial Forecast, the Vice Principal – Finance indicated that there was little growth in the income stream and 1% had been allowed for inflation. No allowance had been made for any salary awards in 2009/10 over and above the 3.2% and 1% had been included for 2010/11 and 2011/12. Over the period of the forecast, the cash position improves slightly with very little provision for capital expenditure. Modest increases had been incorporated in relation to employer's pension contributions, with Governors recognising that this was an area of risk that also applied to all colleges. After further discussion, It was resolved **THAT:**

The 3-year Financial Forecast be recommended to the Corporation for approval.

## **8. FINANCIAL REGULATIONS**

Following the last meeting of the Committee, Interview Expenses had been discussed by the Executive Team as the Financial Regulation, as currently drafted, did not reflect working practice following a decision of the Principal earlier in the year. The opportunity had been taken not to pay any travelling expenses to interview candidates. The Committee considered the amendment to paragraph 9.10.8, following which,

It was resolved **THAT:**

Paragraph 9.10.8 of the draft Financial Regulations be amended to read:  
Interview expenses will not normally be paid to candidates with the exception of accommodation and subsistence for any candidate invited to stay overnight to meet the requirements of the College. Rates will be agreed in advance with HR.

## **9. ANY OTHER BUSINESS**

There was no other business.

## **10. DATE OF NEXT MEETING**

It was resolved **THAT:**

The Finance and General Purposes Committee meet again on:

- a) If required, **Thursday 24 September at 12.15pm** in advance of the Corporation meeting at 1.30pm.
- b) **Friday 27 November 2009 at 8.30am.**