

**STRATFORD-UPON-AVON COLLEGE CORPORATION**

**MINUTES OF FINANCE AND GENERAL PURPOSES COMMITTEE  
FRIDAY 28 NOVEMBER 2008**

<b>Present :</b>	Alan Richardson	Chair
	Mike Atkins	Governor
	John Latham	Governor
	Martin Penny	Principal
	Karen Ralph	Governor
<b>In attendance :</b>	David Jackson	Clerk to the Corporation
	Charles Anderson	Deputy Principal
	Norman MacDonald	Vice Principal – Finance

**1. APOLOGIES**

Apologies were received from Kay Taylor.

**2. COMMITTEE CHAIR**

The Terms and Conditions for this Committee stated that the period of office for the Chair was two years and that the out-going Chair may be re-appointed. The Committee considered the post of Chair for the two-year period ending November 2010, following which,

It was resolved **THAT:**

Alan Richardson be appointed Chair of the Finance and General Purposes Committee for the two year period to November 2010.

**3. DECLARATION OF INTEREST**

Members were invited to declare any interest in business to be discussed at the meeting, following which it was reported that:

- a) John Latham reminded members that he was Pro Vice-Chancellor of Coventry University;
- b) Alan Richardson was a Governor of Coventry University.

**4. MINUTES OF LAST MEETING**

It was resolved **THAT:**

The minutes of the meeting held on 19 September 2008 be regarded as correct and signed by the Committee Chair.

**5. CORRESPONDENCE**

The letter received from the Chair of UCU (the College Lecturers' Union) expressing their real disappointment over the delay in implementing the AoC recommended pay award was discussed. Whilst sympathetic to the situation, the Committee considered that it was not in a position to implement the AoC recommendations at an earlier date.

It was resolved **THAT:**

The Principal prepare a response to UCU, reflecting the discussion, for the Chair to sign.

**6. MATTERS ARISING**

Matters arising from the main Summer Term meeting held on 4 July 2008:

**6.1 Item 10, Disciplinary Procedure**

The Clerk to the Corporation asked for this item to be deferred to the next meeting.

It was resolved **THAT:**

Revisions to the Disciplinary Procedure be deferred to the next meeting.

## 6.2 **Item 14, Reports to Future Meetings:**

### Collaboration work and contracts

The Principal requested that items 6.2a) and b) be taken together as he considered there to be a degree of overlap, to which the Committee agreed. The Principal then worked through Appendix E outlining the projects on which the College was currently working and contract status.

The Vice-Chair questioned the amount of work the College currently did with schools, both formally and informally, and suggested that it might be prudent to consider investing in the top ten schools from which the College draws students, eg discounting fees for staff, providing accommodation for away days or encouraging staff to sit on governing bodies.

Following further consideration of the projects listed and clarification being given on certain aspects,

It was resolved **THAT:**

The report be noted.

## **7. REPORT AND FINANCIAL STATEMENTS FOR 2007/08 /**

### **9. EXTERNAL AUDIT FINDINGS REPORT TO LSC**

The Vice Principal – Finance introduced the Report and Financial Statements for the year ended 31 July 2008 and apologised for the delay in their issue by Baker Tilly. He highlighted changes made to the statements since the July Management Accounts were prepared. The final position was that the College generated an operating deficit in the year of £573,000 before adjusting for FRS17 additional costs of £277,000. He indicated that the College had accumulated general reserves of £2,502,000 excluding FRS17 negative pension reserves and cash balances of £1,429,000. The effects of FRS17 are excluded when assessing compliance with banking covenants and by the LSC when assessing financial health categorisation. Under the old scheme of rating, the College had fallen to Category B and was 'satisfactory' under the new scoring system.

The Committee considered the component parts of the deficit and it was recognised that the College Management was working hard to ensure that the 2008/09 accounts generated a surplus.

The Committee went on to discuss the nature, objectives and strategies of the Financial Statements and it was agreed that pages 1 to 3 be revised prior to submission to the Corporation.

The Committee then discussed the External Audit Findings Report which had been considered by the Audit Committee on 25 November 2008. The Committee learnt that the Audit Committee had given consideration to this report and recommended it to the Corporation.

The Vice Principal – Finance indicated that, during the course of the audit, Baker Tilly did not find anything about which the College had not already told them.

In view of the importance of this income target, the Committee requested that the income forecast be kept under monthly review and significant variances be reported and actioned without delay.

It was resolved **THAT:**

- a) The Committee note the content of the Financial Statements for the year ending 31 July 2008 and recommend its approval and signature at the 19 December 2008 Corporation meeting for forwarding to The Learning and Skills Council;
- b) The External Audit Report be approved by the Committee for releasing to The Learning and Skills Council;
- c) A question and answer briefing sheet be prepared in relation to the deficit prior to the Corporation meeting;
- d) The income forecast be kept under monthly review and significant variances be reported and actioned without delay.

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

The Management Accounts for the period 1 August 2008 to 31 October 2008, together with the accompanying summary, were presented by the Vice Principal – Finance.

The Committee explored in some detail with the Vice Principal – Finance the income stream and how secure the income was.

Problems around LSC software in translating target numbers into cash were highlighted and the College, like others in the country, were being hampered by the non-issue of the software to enable accurate forecasts to be made and that this software may not be released until February 2009. The Principal indicated his concern that both learner numbers and financial targets may not match and that the College may not hit the financial target. However, the College was doing all it could practically do at the present time to forecast the likely outcome. The Committee explored the income attributable to SBS.

With regard to HE income, the Vice-Chair remarked that some universities were delivering where they had no funding and, if the College was failing to hit its HE numbers, it might be possible to work with a university to the mutual benefit of both organisations.

The Deputy Principal indicated that the College may need to reduce tuition fees and offer some free courses to ensure that the College hits its Adults target during the course of the year, particularly as some competitors are now operating with a no fee policy.

The Committee concluded that the income profile was good provided the College hit the target of £14,309,000.

It was resolved **THAT:**

- a) The Management Accounts for the period 1 August 2008 to 31 October 2008 be recommended to the Corporation;
- b) A risk chart be presented to the next meeting.

#### **10. TREASURY MANAGEMENT ANNUAL REPORT**

The Vice Principal – Finance introduced the annual report on Treasury Management activity to 31 July 2008. He pointed out that the College is only getting 1.8% on overnight banking and the College is looking to move the overnight facility to the Bank of Scotland which is already an approved body.

It was resolved **THAT:**

The report be noted.

#### **11. PROCUREMENT**

The Vice Principal – Resources reported that the College Executive had recently agreed to move to a central computerised purchasing system for the College which should be tested shortly, with a view to moving to a fully computerised system by the end of the Spring Term 2009.

The College was gradually introducing the Government Procurement Card (GPC) mainly for purchases under £250 in value.

The College proposes to prepare a preferred supplier list to enable discounts to be negotiated with regular suppliers and reduce the amount of paperwork and administration, together with reducing the volume of petty cash purchases.

All card-holders will have their own transaction limit and overall monthly spend limits, under the control of the Cost Centre Manager.

It was resolved **THAT:**

The report be noted.

#### **12. DEBT WRITE-OFFS / USE OF COLLEGE CREDIT CARD / STUDENT LEARNER SUPPORT FUND**

To comply with the College Financial Regulations, the Committee received an annual report on the Debt Write-offs, Use of College Credit Card, and Student Learner Support Fund. Following discussion,

It was resolved **THAT:**

- a) The Finance and General Purposes Committee formally write off the debts in excess of £1,000 and note the remainder of the report;
- b) The reports on the Use of College Credit Card and Student Learner Support Fund be noted;
- c) Future reports on the use of the College Credit Card continue in the same format.

### **13. OVERSEAS VISIT REPORT**

With the volume of travel and number of visits involving more than one member of staff increasing, the Committee's views were sought on the level of detail required for future standard annual Overseas Visits reports.

The Committee went on to discuss the nature and purpose of the report and recognised the need for overseas travel and the benefits to the College. The Committee also debated the definition of 'overseas' and considered that travel within the European Union should not be regarded as overseas.

It was resolved **THAT:**

- a) Travel within the European Union would not be regarded as overseas travel;
- b) The lead manager to submit details for each visit, as per the current form, but without a breakdown of costs.

### **14. STRATFORD-UPON-AVON COLLEGE SERVICES LIMITED'S FINANCIAL REPORT**

The Vice Principal – Finance reported that, as the four College trading accounts were all currently dormant, a dispensation to present formal accounts had been given by the Inland Revenue and suggested that, where the accounts were dormant, there was no need to report the accounts on an annual basis to the Finance and General Purposes Committee.

The Principal indicated that he had asked for Stratford-upon-Avon College Services Limited to be resurrected to deal with the contract with De Brus for Ready to Work and, once this account was trading, a report would be made in the normal way to the Committee.

It was resolved **THAT:**

The report be noted and it was agreed not to present to the Corporation the accounts for the dormant companies.

### **15. ACCOMMODATION**

The Vice Principal – Resources reported that all outstanding queries raised by the Learning and Skills Council had been responded to and the College was currently waiting to hear further from the LSC. The current thinking indicated that the Application In Principle bid would go to the Capital Committee in February 2009. In the interim, it was suggested that the Accommodation Working Group be convened early in the New Year and the possibility of using part of the Strategic Planning Days to confer with Governors about the Capital Bid, its purpose, affordability, etc.

It was resolved **THAT:**

The report be noted.

### **16. HEALTH AND SAFETY ANNUAL REPORT**

The Health and Safety Annual Report for 2007/08, including targets for 2008/09, was reviewed by the Committee, to satisfy itself that the Corporation was fulfilling its Health and Safety responsibilities. The Vice Principal – Resources responded to questions, following which,

It was resolved **THAT:**

The Committee receive and note the Health and Safety Annual Report for 2007/08 for recommending it to the Corporation with the targets for 2008/09.

### **17. HEALTH AND SAFETY TERMLY REPORT**

The Committee considered the Health and Safety Termly Report, following which,

It was resolved **THAT:**

The report be noted.

### **18. HR STATISTICS**

The headline Human Resource Statistics were reviewed by the Committee.

It was resolved **THAT:**

The Human Resource Statistics be noted.

**19. SALARY FRAMEWORK FOR STAFF OTHER THAN SENIOR POST-HOLDERS**

The Committee considered the 2008/09 Pay Spine for Staff which would become effective from 1 February 2009. This formed part of the pay and conditions of service framework for staff other than Senior Post-holders.

It was resolved **THAT:**

The report be noted.

**20. IDENTIFICATION OF REPORTS TO FUTURE MEETINGS**

The Committee was requested to identify any specific reports to go to future meetings, following which,

It was resolved **THAT:**

A paper be requested for the next meeting on providing authority and guidelines to enable the College Management to respond quickly to emerging issues without the need to refer to the Corporation.

**21. ANY OTHER BUSINESS**

There was no other business.

**22. DATE OF NEXT MEETING**

It was resolved **THAT:**

The Finance and General Purposes Committee meet again on **Friday 13 March 2009 at 8.30am.**

The meeting closed at 11.00am

Signed : .....(Committee Chair)