

STRATFORD-UPON-AVON COLLEGE CORPORATION

MINUTES OF FINANCE COMMITTEE FRIDAY 9 JULY 2010

Present :	Alan Richardson	Chair of Committee
	Mike Atkins	Governor
	Tony Jefferson	Governor
	John Latham	Governor
	Martin Penny	Principal
In attendance :	David Jackson	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 had recently been appointed Deputy Vice-Chancellor of Coventry University. The Committee congratulated John on his new post.

3. **MINUTES OF THE LAST COMMITTEE MEETING**

It was resolved **THAT:**

The minutes of the Finance Committee meeting held on Friday 12 March 2010 be regarded as correct and signed by the Committee Chair.

4. **MATTERS ARISING**

Item 11, Accommodation Working Group

The Clerk to the Corporation reported that the College had recently been successful in a capital bid for the erection of a construction facility on the main site at the Willows at a maximum cost of £740,000, which it was understood needed to be completed by the Summer of 2011. In addition there was the potential for a further £225,000 of capital funding from the Skills Funding Agency on a Matched Funding Basis. The College was currently looking to incorporate within the construction project additional works at Masons Road, the demolition of X Block and other temporary buildings to facilitate access and other remodelling to facilitate the relocation of staff. The Committee went onto discuss the implications for the grant and the potential risk in these times of funding uncertainties.

It was resolved **THAT:**

The Committee record its pleasure in securing capital funding and urge College Management to minimise the risks with the funding as far as possible.

5. **MANAGEMENT ACCOUNTS 2009/10**

The Chair asked the Principal to outline to members the present financial landscape. The Principal commenced by saying that there was little consistency currently on messages coming from Central Government. Information is arriving in a variety of different ways, and at times the information is contradictory. He indicated that it looked likely that the Adult and Employer Learner Responsive Budgets would now be merged into a single budget for 19+ funding allowing the College greater flexibility whilst being encouraged to concentrate on Apprenticeships. At a recent AoC meeting attended by the Deputy Principal it was suggested that the Local Authorities are likely to lose their commissioning role and that this would be transferred to the YPLA, with Regional Development Agencies going by March 2012.

He went on to say that whilst the landscape was certainly changing no new money was emerging. The 16-19 age group was thought to be reasonably safe for 2010/11 and beyond. The local schools would not appear to have the physical capacity to house a growing local population. He predicted that

business work will die away and it was likely that the HEFCE income would reduce. However, the College was working hard to increase its market share of international students with Memorandums of Understanding now turning into solid contracts. The Committee went on to discuss shared services and the different approaches being taken by some of our competitors and the need to minimise any VAT implications.

The meeting then turned its attention to future site development and needed to be in a position to react quickly to potential funding opportunities and the desirability or otherwise of having outline planning permission for future site development. After further discussion it was resolved that the Committee receive at its next meeting a paper on future collaboration and partnership working.

The Vice Principal Finance presented the Management Accounts for 2009/10 drawing particular attention to outstanding risks which could still impact upon the accounts for 2009/10. The Principal indicated that he considered it unlikely now that the College would go into deficit for 2009/10. After a full review of the accounts

It was resolved **THAT:**

- a) The updated Management Accounts for 2009/10 be recommended to the Corporation for approval.
- b) The Committee receive at its next meeting a paper on Future Collaboration and Partnership Working.

6. BUDGET FOR 2010/11, INCLUDING CAPITAL PLAN

Again the Vice Principal Finance presented the College Budget for 2010/11 and updated the meeting on activity since the draft Budget was prepared and tabled a paper highlighting the main issues. Budgetary assumptions around salary provision were fully discussed and it was recognised that there was a need for this to be revisited in November 2010. He indicated that the College was aiming for a ratio of 70/30 full-part/time staff; the Budget is currently prepared on the basis of 72/28. The meeting went on to discuss the possible implications of Bank Covenants arising out of the proposed Budget and assumptions around cash flow. The Principal/Vice Principal Finance responded to a range of questions and after further debate,

It was resolved **THAT:**

The current draft Budget for 2010/11 be recommended to the Corporation for approval, but it was likely that the Budget would need to be revised in the Autumn term as the national funding position became clearer

7. NEW PROJECTS PROGRESS REPORT

The meeting reviewed the New Projects Progress Report and were pleased to see the inclusion of a number of new initiatives in these difficult financial times.

It was resolved **THAT:**

The New Projects Progress Report be received by the Committee.

8. REVIEW WORK AND EFFECTIVENESS OF THE COMMITTEE

The Clerk to the Corporation encouraged the Committee to review its work and effectiveness over the past 12 months. The Chair commented that he considered that the Committee works closely with the College Management and provided challenges and advice to the Management Team. In addition to considering day-to-day matters the Committee had demonstrated that it was looking to the future and that over the year there had been some vigorous and robust discussions. He felt that there was an open/honest approach from the College Management Team which engendered an air of mutual trust and respect.

9. IDENTIFICATION OF REPORTS TO FUTURE MEETINGS

After a brief discussion no further reports were identified apart from future finances.

It was resolved **THAT:**

The Principal prepare a paper for the next meeting under the banner "Staring Down The Black Hole".

10. ANY OTHER BUSINESS

The Principal drew Members’ attention to the fact that this was likely to be John Latham’s last regular meeting of the Committee and he thanked John for his comments and insight throughout his period of office.

11. DATE OF NEXT MEETING

It was resolved **THAT:**

The Finance Committee meet again on:

Thursday 22 July 2010 at 12.15pm to consider the Three Year Financial Forecast.

Signed :(Committee Chair)