

# STRATFORD-UPON-AVON COLLEGE CORPORATION

## MINUTES OF CORPORATION MEETING HELD ON THURSDAY 12 FEBRUARY 2009

<b>Present:</b>	Alan Richardson	Chair of the Corporation
	Lyn Anslow	Governor
	Jenny Andrews	Governor
	Mike Atkins	Governor
	Satnam Bhogal	Governor
	Graham Crump	Governor
	Tony Jefferson	Governor
	David Kent	Governor
	John Latham	Governor (part item 5 to item 7)
	Ian Lumley	Support Staff Governor (items 1-5 only)
	Martin Penny	Principal
	Gill Roache	Governor
	Elaine Rowlands	Governor
	Geoff Thompson	Governor
	Andy Tyers	Teaching Staff Governor (items 1-5 only)
	Lauren Wilcock	Student Governor (items 1-5 only)
<b>In attendance:</b>	Charles Anderson	Deputy Principal (items 1-5 only)
	Tim Astbury	Assistant Principal Curriculum (items 1-5 only)
	David Jackson	Clerk to the Corporation
	Norman MacDonald	Vice Principal – Finance (items 1-5 only)
	Hazel Skwirzynska	Director Learner Services (items 1-5 only)
	Yvonne Rose	LSC

### PART ONE - ROUTINE BUSINESS

#### 1. WELCOME TO NEW MEMBERS / APOLOGIES

The Chair welcomed Elaine Rowlands and Geoff Thompson to their first meeting of the Corporation.

It was resolved **THAT:**

Apologies be received from Phil Krstic, Jayne Longfield, Julia Morris and Kay Taylor.

#### 2. DECLARATIONS OF INTEREST

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

- a) The Chair reminded the meeting that he was a Governor of Coventry University;
- b) John Latham reminded the meeting that he was Pro Vice-Chancellor of Coventry University.

#### 3. MINUTES OF LAST MEETING

It was resolved **THAT:**

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

#### 4. MATTERS ARISING

It was resolved **THAT:**

Matters arising from the December meeting be deferred to the next meeting of the Corporation on 27 March 2009.

### PART TWO

#### 5. COLLEGE BUDGET 2008/09 AND BEYOND

The Principal informed the meeting that he had undertaken with the Vice Principal – Finance and the Executive Team a thorough review of the College's financial position in the context of the country's economic position and the

impact of recent LSC decisions. The outcome had also been discussed with the Finance and General Purposes Committee earlier in the week.

He circulated a bar chart showing income and expenditure opportunities and risks for 2008/09. He stated that the figures presented in his accompanying paper represented the position today and is the best guess for the future. The latest forecast shows a net operating loss of £463,000 against a revised budget surplus of £48,000. The operating loss excluded a number of exceptional items that are detailed separately in the Management Accounts. He explained that the changes had been broken down into three main areas: LSC funding impact; recession impact; and finance and funding issues.

In relation to LSC funding, he explained that, following final negotiations with the LSC, the College had entered into an annual contract in November that showed the College earning an income of £549,000 for delivering 425 Train To Gain learners. The LSC had recently confirmed that they had incorrectly calculated the funding for Train To Gain and the new contract value would be for £432,000 for delivering to 529 learners which, in effect, had a double negative impact on the College whereby income had been reduced by £118,000 and delivery costs increased by £68,000 to deliver 104 additional learners, representing an overall loss to the College of £186,000. In a normal year, this change may not have been crucial but, in the current economic climate, this is one of a number of issues that the College is having to tackle. The contract with the LSC has maximum contract values included in it and the values themselves can change.

Governors challenged the Principal over the value of the contract and it was recognised that the College was in a difficult position as it could not walk away from the contract as the LSC are major funders and, technically, not in breach of contract. Currently there is no shortage of Train To Gain students and it was felt that the current target for those students included in the budget was achievable.

Turning to the impact of the recession, the Principal indicated there was no doubt that, whilst the College had been able to recruit apprentices at the start of the academic year, recruitment had now virtually dried up with some apprentices having their employment terminated. The Student Governor enquired as to what happened to apprentices that found themselves in this position. The Principal indicated that, at the moment, the LSC was permitting the students to continue at College on a temporary basis but the matter was under review.

Following further comment within the meeting, the Chair summarised the view of the meeting as the College wishing to continue to be thoughtful and compassionate towards young people in these difficult times. The meeting went on to hear that full-cost work had virtually stopped, although training in mandatory areas was still continuing.

Due to contractual implications associated with contract renewal dates, the College also had to deal with a higher than anticipated cost in electricity when the previous Government contract had terminated and the replacement required negotiation at the height of the increase in energy costs.

The Principal then went on to explain finance and funding issues across a range of contracts that had impacted upon the budget and which were detailed in the paper. The Management Accounts currently show a £463,000 deficit. The Principal then proceeded to outline the management actions that were being taken to reduce the deficit, which included:

- a review of the use of Cygnet Court;
- new short course and facility rental advertising;
- targeted marketing to compensate for aggressive advertising by competitors;

- the possibility of shared services with another college;
- stronger partnerships for shared delivery; and
- a pause for thought in relation to the cost of living increase for 2008/09.

There then followed a full and wide-ranging discussion with the Governors, particularly around working with schools and targeted marketing, out of which Governors identified the importance of quality and the need to invest in people and resources.

Discussion then turned briefly to Higher Education and the opportunity to talk to HE partners as their numbers had been capped and it was possible that there could be benefits here for both our partners and the College.

On a positive note, the Principal mentioned:

- the work the College was doing with Jaguar and the use of their new training premises;
- the number of student applications for 2009/10 across the College was already ahead of last year's figures and the College would be working hard to ensure that as many of these applicants as possible were converted into enrolments;
- an application for project funding for Social Health and Development had been approved to the second round and the College was now working on the detail for the final submission.

Discussion then centred around the current position in relation to the Capital Programme and the need to ensure that, if this is not successful, adequate provision is made for maintenance to ensure that the buildings continue to be maintained in a reasonable condition until such time as they can be replaced.

In response to a question, the Vice Principal – Finance indicated that the College had been in discussion with its Bank and they were supportive of the College's position.

Bringing discussions to a close, the Principal stated that he would be more than happy if the College can balance the budget in the current year given the current economic climate but, nevertheless, the Executive Team was working hard to achieve this objective.

The Chair summarised the discussion by saying that the Governors recognise the position the College is in, following which,

It was resolved **THAT:**

- a) The Corporation formally note the report from the Principal and the actions being taken to address the current forecast deficit;
- b) A progress report be submitted to 13 March 2009 meeting of the Finance and General Purposes Committee;
- c) The revised Management Accounts for 2008/09 be approved by the Corporation.

*Staff and Student Governors, together with other College staff excluding the Principal and Clerk to the Corporation, withdrew from the meeting.*

## **6. COLLEGE RE-ORGANISATION 2009/10 - CONFIDENTIAL ITEM**

### **7. DATE OF NEXT MEETING**

It was resolved **THAT:**

The Corporation meet again on **Friday 27 March 2009 at 9.00am** for an all day meeting at the College's SBS offices at Cygnet Court, Timothy's Bridge Road, Stratford-upon-Avon.

Signed : .....(Corporation Chair)