

STRATFORD-UPON-AVON COLLEGE CORPORATION

MINUTES OF FINANCE AND GENERAL PURPOSES COMMITTEE WEDNESDAY 10 SEPTEMBER 2008

Present :	Alan Richardson	Chair of Meeting
	Mike Atkins	Governor
	John Latham	Governor
	Martin Penny	Principal
In attendance :	Charles Anderson	Deputy Principal
	David Jackson	Clerk to the Corporation / Vice Principal - Resources
	Norman MacDonald	Vice Principal – Finance
	Kay Taylor	Vice Principal – Corporate Development

1. APOLOGIES

- a) Apologies had been received from Karen Ralph;
- b) Ludo Keston had resigned from the College Corporation.

2. DECLARATIONS OF INTEREST

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

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

3. MINUTES OF LAST MEETING

It was resolved **THAT:**

The minutes of the meeting held on 11 July 2008 be regarded as correct and signed by the Chair.

4. MATTERS ARISING

No matters had been identified from the minutes of the 4 and 11 July 2008 meetings.

5. BUDGET OUT-TURN UP-DATE 2007/08

The Chair of the meeting, Alan Richardson, outlined the purpose of the meeting and the need for Governors to understand the present financial position of the College, both in relation to the budget for 2007/08 and that for 2008/09, and for the increased deficit at the end of 2007/08.

John Latham reminded the meeting that there was no option but to make a surplus in 2008/09.

Mike Atkins drew to the Committee's attention key variations to the budget that had taken place during the course of the year, reporting dates, and the expansion of Stratford Business Services.

The Principal indicated that he could not disagree with what had been said and referred to long conversations with the Chair and Vice-Chair and discussions that had taken place in the Executive, including the freezing of posts and spending.

The Principal went on to draw attention to issues at Stratford Business Services.

The Committee went through in detail the report on the forecast out-turn for 2007/08, together with the reasons why the numbers were altering and whether this was likely to be repeated in 2008/09. The Committee learnt that the conversion rate from applicants to enrolments was slightly down on last year and, therefore, at the present time it would appear that we are unlikely to over-recruit but we should hit the 16-18 targets.

The Principal indicated that he did not consider the late opening of Cygnet Court made a significant impact on the Train2Gain numbers. The Committee recognised that the nature of the business was changing and noted additional actions being taken to adapt to the differing requirements and the impact this has on reporting.

Returning to Train2Gain, it was recognised that these numbers alone would not justify Cygnet Court but other key elements, such as short courses and room hire, were vital to the success of this area. There were issues around the marketing and delivery of these aspects. The targets were ambitious at the start of the year and under-performance had caused the problems.

The Committee recognised that the accounts for 2007/08 had benefited by the settlement of the David McLean account which had been well managed. The Chair commented, however, that this benefit would not be available for 2008/09. The Principal commented that the level of financial awareness amongst middle managers needed to be raised. The Deputy Principal indicated that he had met with all staff within SBS and they were all fully aware of the various sources of income and the requirement to hit budgets. One of the major challenges across the College was to change the culture of financial thinking.

The Chair commented on the need to revisit the Strategic Plan 'Developing Destinies' to ensure that it continued to reflect the changing environment surrounding the College.

The meeting went on to discuss the core business in relation to the remainder of the College business and the need to ensure that both areas are financially viable. In addition, the need to generate surplus to cover difficult times was recognised by the Committee.

The Chair summarised the discussion stating that the numbers were uncomfortable at the present time and it was imperative that the lessons learnt from 2007/08 were applied to future years.

It was resolved **THAT:**

The report be noted and College Management were taking action to ensure that the situation would not be repeated in 2008/09.

6. COLLEGE BUDGET 2008/09 UP-DATE

The Principal up-dated the meeting on the College Budget for 2008/09. He mentioned that, as previously reported, it was looking likely that the 16-18 targets will be achieved in the current year. However, the College had not been successful in some of its bids for project work and, overall, unless corrective measures were put in place, the College would be looking at a £200,000 loss on 2008/09 which, as previously indicated, was unacceptable.

The Executive would be looking in detail at the budget during the course of next week, the outcome of which will be reported to the Corporation.

The Committee requested that, in addition to the up-date, members of the Committee receive a risk analysis, as provided in previous years, for 2008/09.

In terms of projects, the major risk remaining at the present time was one Leonardo project with a budgeted contribution of £40,000.

After further discussion,

It was resolved **THAT:**

- a) The Committee note the report and that the Corporation will receive a verbal up-date at its next meeting;
- b) The Committee will receive an interim paper on any revisions necessary to the budget for 2008/09 during October and, if necessary, a further meeting of the Committee would be called prior to the next scheduled meeting on 28 November 2008.

7. APPLICATION IN PRINCIPLE

The Vice Principal – Finance presented revised financial figures supporting the Application In Principle Bid to the Learning and Skills Council. These revisions had been requested by the LSC and all costs were now consistent across the project and with student numbers. The work in arriving at these figures had not been insignificant.

The Committee questioned the relationship of borrowings to income to which the Vice Principal – Finance indicated that there was an LSC requirement for this to be 40%.

The Committee went on to query the relationship between certain figures in the budget and that contained in the Application In Principle. It was explained that the AIP was based on the capital bid going in, whereas this information was excluded from the budgetary figures as the completion of the AIP was dictated by the LSC rules for which there could be no variation.

The Principal assured the Committee that the numbers within the report reflected the position as it was today. It was, however, impossible to predict any changes and revisions to Government policy. The Committee recognised that the College had no option other than to proceed with the Application In Principle but recognised that the final outcome may be different.

It was resolved **THAT:**

The Committee support the Application In Principle bid to the Learning and Skills Council and recommend the Corporation to up-date its resolution from April 2008.

8. ANY OTHER BUSINESS

There was no other business.

9. DATE OF NEXT MEETING

It was resolved **THAT:**

The Finance and General Purposes Committee meet again on **Friday 28 November 2008 at 8.30am.**

Signed :(Committee Chair)