



**MINUTES OF THE ESHER COLLEGE CORPORATION
MEETING**

Held At Esher College
Tuesday, 22th January 2019, at 6.00 pm.

Present:

Tim Oliver (Chair)	Ian Leigh
Paul Collyer	Daniel Loughlin
Dan Dean	Hannah McKean
David Irving	Adrian Mills
Robin John	Katie Pattison
Ben Jureidini	Karin Rowsell
	Fran Stewart

Dan Hards, Assistant Principal (Advising Officer)
Helen Odhams, Deputy Principal (Advising Officer)
Stephanie Wiles, Director of Finance and Estates (Advising Officer)
Kerry Webb, Clerk

1. REGISTER OF INTERESTS

There were no declarations of interest.

2. APOLOGIES FOR ABSENCE

Apologies were received from Ruth Seabrook and Dona Gjyshinca.

3. MINUTES OF THE LAST MEETING HELD ON WEDNESDAY 12th DECEMBER 2018

The Governors agreed that these minutes will be reviewed at the next Corporation meeting on 3rd April 2019.

4. MATTERS ARISING

The Governors agreed that the "Matters Arising" will be addressed at the next Corporation meeting on 3rd April 2019.

5. TO CONSIDER RECOMMENDATIONS FROM THE FINANCE AND ESTATES COMMITTEE ON ACADEMY CONVERSION

The Principal updated the meeting on the latest communication with DfE officials, which have resulted in a scheduled telephone conversation with the Regional Schools Commissioner's Office later this week. The substance of this conversation was not yet clear, but the RSC had indicated that the College could pick up the approved application and progress to completion, should the Governors direct this.

The Chair of the Finance and Estates Committee provided a brief overview of the summary conclusions of the Special Finance and Estates Committee meeting held on 10th January 2019.

He explained that the financial spreadsheet prepared by the Director of Finance and Estates clearly demonstrated the impact on the EBITDA measure of converting to a single academy trust versus the College remaining as it currently is. The College would be financially better off as an academy in terms of VAT recovery, rates relief and pension contributions. The financial reporting restrictions also differ, currently the College needs to set a 1% surplus budget but as an academy the requirement will be limited to setting a balanced budget. The Chair of the Finance and Estates Committee and other Governors expressed their thanks to the Director of Finance and Estates for her clear and robust financial analysis.

The Chair reported that, taking everything into account, the Committee had decided to recommend to the Corporation that, from a financial point of view there was strong evidence to support converting to an academy. He noted that there may be other considerations from a non-financial perspective. He also recognised that, although the recommendation is made based on majority support, two Governors at the meeting were against the proposal. The Governors were invited to express their views.

Governors noted the following:

- Opportunities for revenues generation, new ways of teaching and delivering the curriculum and cost savings should continue to be explored and converting to an academy will not preclude this. It was acknowledged that new strategies have certain lead times until they show an impact on EBITDA and in some cases, new strategies may not work at all.
- If student numbers fall short of forecast next year the financial position of the College will deteriorate more rapidly. Conversion to an academy will improve the financial situation.

The Chair of the Corporation summarised his views that when the Governors looked at converting to an academy last year it was felt that there needed to be a strong reason to justify converting and at that time there was not. Presently, converting to an academy will put us back on a level playing field with other 16-19 institutions and ensure the College is financially better off in the region of £300k per year. Therefore, it now seems that there are strong reasons to convert and so we need to consider whether there are any reasons why we would not convert.

The Chair invited each Governor in turn to provide comment on the proposal to convert to a single academy trust.

In summary, the following was noted by individual Governors:

- Whilst acknowledging that it was important the values and ethos of the College are not compromised, it is recognised that from a financial perspective it is necessary to convert to an academy.
- It is important to act now to ensure that the college is not left behind whilst other institutions convert.
- Converting to an academy and the financial benefits this brings, gives the College more financial security in the short term to enable it to further develop its longer-term strategies.
- Although, there are concerns over the government's policy direction, there is acceptance that the financial figures do support the case for conversion.
- Q. Are we totally clear about whether converting to a single academy trust will present any problems for us in the future, e.g. permission to sell land etc? We should still be able to sell part of the college land (a

small part of land was identified through the property strategy). However, as an academy we will need to obtain permission from the Secretary of State to sell it. It was noted that any income gained from sale of land would be classified as income into the capital account and, as such, could not be treated as revenue income and would need to be used against capital expenditure, e.g. building redevelopment etc.

- Q. Do we know what the full list of restrictions that will apply to us as a single academy trust?
 - Land, as noted above, permission would need to be sought from the Secretary of State to sell the College's land
 - Foreign Students – not applicable as the college does not have a licence to enrol foreign students
 - The ability to borrow – the College does not have any loans
 - Some restrictions on the ability to deliver Higher Education
- The Corporation has a duty to protect the long-term solvency of the institution and this is a challenge due to external factors out of the College's control. Whilst there are indications that there is support for increasing the funding rate for 16-19 year olds and the Chief Ofsted Inspector has acknowledged the impact of underfunding on the quality of delivery to this sector, there is no guarantee that an increase in the funding rate will be forthcoming. In terms of the ethos and values of the College, it would remain committed to its core sixth form college values. Based on the experiences of other sixth form colleges who have converted to academies, there has been little visible change.
- It is a short-term, but necessary, solution to provide a measure of financial security.
- We need to look at longer term strategies and specifically revenue generation. It was suggested that the Governors consider looking at reactivating the financial strategy group and possible appointment of a Business Development Manager to investigate possible revenue streams. Also noted that the pension provisions for new staff should be explored. Opportunities for using land should be explored and specialists in that area could be co-opted onto the Finance and Estates Committee to explore this.
- Noted that a year ago they would be opposed to converting to an academy and would like to think that the government will remove the VAT restrictions/differential pay funding that is not available without conversion. However, there is currently a compelling financial argument for conversion.

Following the discussion, it was agreed that a number of ideas should be explored through a reinstated Financial Strategy Group.

A proposal was made to proceed with the application to convert the College to a single academy trust.

Eleven Governors were in support of the proposal and two Governors against the proposal, therefore the proposal was passed, and the Governors agreed to proceed with the application to convert the College to a single academy trust.

ACTION: Principal to proceed with application to convert the College to a single academy trust.

6. GOVERNANCE STRUCTURE AS A SINGLE ACADEMY TRUST

Members

- Members meet once a year at the Annual General Meeting (AGM).
- Members are the keepers of the strategy of the academy.
- In a single academy trust structure, the chair of Trustees would normally also be a member.
- The Chair explained that David Lavarack, Terry Price and Clarissa Wilks had indicated they would be happy to become members. The Governors agreed that they would be happy for them to be members.

Trustees

- Although student trustees are not usual in an academy governance structure, there had been no objection in the governance structure proposed in the College’s approved submission.

Appointment terms

- It was noted that time starts running again, as it is effectively a new board being appointed.
- Careful consideration would need to be made about appointment terms for trustees, particularly those who had already been Governors of the College for several years and were nearing the end of their term. It was noted that it is important for the board to be routinely refreshed with new Governors.
- It was agreed that the number of Governors had been reduced last year and a total of 15 was satisfactory for an academy governance structure.

The above was noted and agreed. The Principal confirmed that he will proceed with the next steps, which include speaking with the Regional Schools Commissioner and the ESFA to activate the application.

The Governors agreed that the application to convert to an academy should be made with effect from September 2019, this would allow time for the College to communicate with parents and students. If it becomes apparent that there are strong disadvantages of waiting until September 2019, the Principal will communicate further with the Governors. There have been instances whereby colleges have converted mid-year.

The Principal raised the subject of whether as part of the conversion the College name should be re-considered. Re-naming to “Esher Sixth Form College” makes it very clear what the College is and aims to deliver. It was agreed that the Principal will investigate whether it is possible to change the name as “Esher College” has already been submitted on the previously approved application.

ACTION: Principal to confirm with Terry Price, David Lavarack and Clarissa Wilks that they will be happy to become Members of the newly-formed academy.

ACTION: Principal to investigate whether the College name can be changed to "Esher Sixth Form College" at the same time.

7. ANY OTHER BUSINESS

There was none.

8. DATE OF NEXT MEETING: Wednesday 3rd April 2019

*The meeting closed at 7.02pm.
Attendance was 86.67% (13 out of 15 members)*

Signed.....

Date.....

SUMMARY OF ACTIONS

C Special - 001	<p>Item 5: <u>Consider Recommendations from the Finance and Estates Committee on Academy Conversion</u></p> <p>ACTION: Principal to proceed with next steps in converting the College to a single academy trust.</p>
C Special - 002	<p>Item 6: <u>Governance Structure as a Single Academy Trust</u></p> <p>ACTION: Principal to confirm with Terry Price, David Lavarack and Clarissa Wilks that they will be happy to become Members of the newly-formed academy.</p>
C Special - 003	<p>Item 6: <u>Governance Structure as a Single Academy Trust</u></p> <p>ACTION: Principal to investigate whether the College name can be changed to "Esher Sixth Form College" at the same time.</p>

SUMMARY OF GOVERNOR CHALLENGE [C] / SUPPORT [S]

C/S	Item	Topic
C/S	5	<p><u>Consider Recommendations from the Finance and Estates Committee on Academy Conversion</u></p> <p>Governors questioned to ensure full understanding of any restrictions or limitations conversion to an academy might present.</p> <p>Governors stressed the importance of ensuring long term strategic plans for opportunities for revenue generation and cost savings are continued to be developed.</p> <p>Governors provided support by encouraging how conversion could be an opportunity for exploring new marketing and strategy opportunities.</p> <p>Governors expressed thanks for the hard work preparing the financial papers for the meeting.</p>
C/S	6	<p><u>Governance Structure as a Single Academy Trust</u></p> <p>Governors expressed support for those individuals who had expressed an interest in becoming members of the academy board.</p> <p>Governors supported exploring opportunities to rebrand the College name.</p>