

FURNESS COLLEGE CORPORATION
Principal and Chief Executive: Nicola Cove

MINUTES OF FURNESS COLLEGE FINANCE & RESOURCES COMMITTEE

Meeting Date: 26th June 2025

Venue: Teams

Present:

John Sidney (Chair)	External
Nicola Cove	Principal & CEO
Meredydd David	External (Chair of the Board)
Sue Newsham	External

In Attendance:

Justin Smith	Director of Finance
Joanne Crowther	Governance Professional

ITEM 1 - APOLOGIES FOR ABSENCE

FR/25/55 There were no apologies for absence

ITEM 2 - DECLARATION OF INTERESTS

FR/25/56 The Chair reminded Governors of the requirement to declare their interests in any agenda items. For any such declaration Governors would not be eligible to speak or to vote on the matters under discussion.

ITEM 3 - EQUALITY, DIVERSITY & INCLUSIVITY

FR/25/57 The Chair reminded Governors of the College's commitment to equality and diversity and the need to consider these matters along with health and safety in all Committee business.

ITEM 4 - MINUTES OF THE PREVIOUS MEETING

FR/25/58 **Resolved** – the minutes of the meeting held on **12th March 2025** approved as an accurate record

ITEM 5 - MATTERS ARISING/ACTIONS

FR/25/59 The Chair reviewed the actions from the previous meeting with the following findings: The Head of HR to look at the presentation of reports to clarify student facing reports. This has not yet been completed and will be picked up over the next academic year. The VP Resources is working with new Head of HR to complete this.

FR/25/60 ACTION – Carry forward the action to present information identifying student facing reports

ITEM 6 – APPOINTMENT OF CHAIR

FR/25/61 The Chair of the Board confirmed that he had spoken to the current Chair and Member as both were intending to step down. In light of the merger journey ahead, and the wealth of experience both Members have both with the College and with the SPA process, he has asked them to remain for a short period to support the College through the merger process. The current Chair is a longstanding Member of the Board, and as such the Chair of the Board is clarifying that this will not be an issue for Ofsted at the re-inspection.

FR/25/62 ACTION – Chair of the Board to clarify the position regarding longstanding Members with the Further Education Commissioner.

FR/25/63 RESOLVED – appointment of Chair to be deferred until confirmation received regarding the position regarding Ofsted.

ITEM 6 – HR REPORT – TERM 2

FR/25/64 The VP Resources confirmed that the Head of HR wrote the paper before she left college at the end of last term and that she is now presenting this on her behalf. She asked that the paper be taken as read and highlighted key points.

FR/25/65 The fully staffed FTE figure has remained consistent at 92% which is good.

FR/25/66 The Chair of the Board asked what the 92% figure relates to. The VP Resources confirmed that each vacancy has a role in place and there are rolling vacancies. There are some challenges around churn, but the College is managing to recruit staff. Key is the ability to retain staff in the first two years and then five years. In terms of gaps in the organisation, this has been consistent all year and the trend is not changing. The College is mindful of loss of organisational knowledge when people leave.

FR/25/67 The Chair of the Board confirmed that whilst in College, he had been talking to staff and students, and the view from them students is that often, there is no teacher in front of them, so there seems to be gaps there. Staff say they are having to cover because of vacancies. He noted that this did not correlate with the information presented and asked why that might be. Also, if some areas were particularly impacted was it possible to over recruit to these areas.

FR/25/68 The VP Resources confirmed that there have been issues with recruitment in maths and some areas of engineering. Agency staff were recruited, but they were of poor quality. An issue arose with Geography and it proved extraordinarily difficult to recruit. The College has worked with BAE to see if staff could be shared, but this has been difficult. The Chair of the Board asked about over staffing. The Principal & CEO advised that we cannot get any staff at all in some areas so overstaffing is not possible. The position is also affected by some long-term absences in the areas, which when accounted means the full staffing percentage is actually 97%. The VP Resources advised that in some areas there have been staff needing replacement hips and knees. Some have gone through cancer treatment and this has had a disproportionate impact. This has hit engineering where many of the staff are older and have

come into education following retirement from practice. This brings with it a wealth of expertise, but also health issues.

- FR/25/69 The Chair noted the significant impact of staff absence on learners and noted that whilst the Committee focuses on the business side, we may need to consider crossing over with the Learner Experience Committee to explore further the impact on learner outcomes which would improve reporting.
- FR/25/70 The Chair of the Board confirmed that the Committee should share the issues faced with regard to recruitment with the Learner Experience Committee. He advised Members that a discussion had taken place about risk management and how the risk register should allocate a member of the senior team to each risk to look at mitigation. This will be explored over the next twelve months.
- FR/25/71 **ACTION – the Chair of the Board to work with Committees to identify the risks from the risk register that relates to them over the next twelve months.**
- FR/25/72 The VP Resources confirmed that there will shortly be an issue with knowledge and skills in the HR team as the longest serving member of staff will have been there for three months.
- FR/25/73 The Chair of the Board asked if we have the percentage turnover for teaching staff, and asked if this is higher than turnover for support staff. The VP Resources confirmed that data was included in the body of the report on p4. Turnover currently stands at 17% for teaching staff. The Chair of the Board noted that this was not too bad, but confirmed that the College needs a comprehensive, strong teaching and learning team that help to professionalise new staff coming in. They should have mentoring for the first six months otherwise they may leave.
- FR/25/74 The VP Resources confirmed that as part of the CPD strategy teachers are supported when moving into leadership roles, and new to us teachers and new to teaching staff take part in the rolling programme aligned to the Cert Ed but this runs from the start of the year. Staff joining mid-year have to wait until September so work is underway to look at how to address this. The Chair of the Board asked if this would be in place for September. The VP Resources agreed that it should be. The Principal & CEO confirmed that this would be reinforced through the right channels.
- FR/25/74 **ACTION – ensure that the training programme for new to teaching staff can be accessed at appointment rather than waiting until the next September.**
- FR/25/75 The Chair of the Board asked about leadership development for staff and whether or not the College has a programme to support staff. The VP Resources confirmed that work has been done with staff to ensure they understand policies and procedures and with the softer skills. Courses have been identified through ETF and staff will be supported to access these. Take up will be reported at the next meeting.
- FR/25/76 **ACTION - a report to be brought to the next meeting showing take up of leadership training for staff.**
- FR/25/77 **RESOLVED – the report was NOTED**

ITEM 8 – MANAGEMENT ACCOUNTS

- FR/25/78 The Director of Finance presented the accounts for the nine months to April. He advised Members they show a continuation of what has been seen through the year – lower income offset by lower pay and an adverse variance for adult provision.
- FR/24/79 The Chair of the Board asked if the tuition fees for apprentices are low because we are behind with enrolments. The Principal & CEO advised that in relation to tuition fees, numbers are low. The P4 summary shows tuition fees and over the page in 3.3 shows see the breakdown. The majority of fee income falls in HE and there has been lower enrolment than anticipated.
- FR/24/80 The Chair noted the summary in bullet point 2 showing a favourable pay variance due to vacancies. Although this is a good financial result, there is a need to look at what impact this has had on learners as this is not necessarily good news. The Chair of the Board confirmed that the report should contain a report on the impact on learners where there is a variance in pay costs due to vacancies.
- FR/24/81 ACTION – future management accounts to better capture any impact on learners where a variance is noted due to staff vacancies.**
- FR/25/82 The Director of Finance confirmed that figures have now been confirmed in relation to support from the DfE re NI and this will be a one-off payment of £207,000 for one year. Future funds will have to be found by the College. The Principal & CEO confirmed that there was the potential for more long-term support but advised that this was unlikely.
- FR/25/83 The contract for gas has been fixed for two years and electricity is on a low unit cost. The Principal & CEO confirmed that the electricity prices were agreed under an old arrangement with Cumbria Council and the pricing is refreshed annually. Both contracts will be due for renewal in 2027.
- FR/25/83 Cash balances remain strong at £4.6m with the payment from BAE of £1m expected in May and currently reflected in the rise in debtors to £1.3m the forecast is for £4.7m at the year end. The Principal & CEO confirmed that cash is held in reserve for the likely clawback of £250,000 in relation to adult provision.
- FR/25/84 The majority of capital expenditure has now taken place. The serves have been replaced and nothing major is anticipated.
- FR/25/85 With regard to banking covenants, they remain intact. Meeting covenant D may be a challenge. A small surplus is predicted at the end of the year.
- FR/25/86 In light of the challenge, all cost departments have been asked to work towards a cost saving of 25%. The Chair asked if cutting by 25% was the only solution and asked what other solutions have been considered. The Director of Finance confirmed that the next set of accounts will paint a more positive picture. The Principal & CEO advised Members that conversation with the bank would normally have been possible, but with the public sector re-classification, this is no longer possible. The College still has quarterly meetings with Lloyds, but can no longer re-negotiate a covenant. It would have to be done with the DfE.

FR/25/87 The Chair noted that the descriptor of 'sound' for KPIs was an interesting choice as they did not meet those levels within the latest FEC letter. This says the EBITDA should be over 6% but we are below this. Also, also, the ratio of pay to income should be less than 65% and we are 69%. He asked if the College is confident despite the KPIs not being met. The Director of Finance confirmed that as a small college, the pay to income ratio moving over 70% would be a flag for concern, but the budget is very prudent, and the actual outcome should be slightly better. The Chair of the Board agreed that we need to be confident in the accuracy of the accounts through the year.

FR/25/88 The Chair asked if the threat discussed in the last meeting with regard to the withdrawal of the BAE contract has now been resolved. The Principal & CEO confirmed that things have moved on but the issue around BAE has made it difficult to present a budget in the usual timescales. The Chair noted that this does sit in the budget rather than the accounts but a narrative would be helpful.

FR/25/89 ACTION – future management accounts to include a narrative regarding the BAE position

FR/25/90 The Chair of the Board noted that in the cash flow charts, the actuals are below budget. He asked where this is headed should the position continue. The Principal & CEO confirmed that there was a capital spend for the sixth form and the cut off was later than predicted and the start of the year was different. A decision was taken not to go back and change the budget as it is difficult to keep track of the position.

FR/25/91 RESOLVED – the Management Accounts were NOTED

ITEM 9 – BUDGET FOR THE NEXT ACADEMIC YEAR INCLUDING THREE YEAR FINANCIAL PLAN

FR/25/92 The Principal & CEO advised Members that preparation for the budget this year has been complicated by the ongoing discussion with BAE regarding the contract for next year. Exacerbated by announcements from the department, even though they are additive, has made it hard to say what our allocation will be. Alongside this, the HE settlement is still unknown.

FR/25/93 The Director of Finance suggested that the budget paper once complete should be circulated to members early next week as it may then be possible to take it to Board on the 8th July. Members felt that it would be better to have a discussion about the budget before going to Board. After discussion, Thursday 3rd July at 5.00pm was agreed on as the best time for a discussion. The budget can then be recommended to the Board.

FR/25/94 ACTION – Governance Professional to set up a meeting on the 3.7.25 to discuss the Budget and Three-Year Plan.

FR/25/95 RESOLVED – approval of the Budget was deferred.

ITEM 10 - DfE LETTER REGARDING FINANCIAL STATEMENTS

FR/25/96 The Director of Finance confirmed that the letter from the DfE confirmed the College to have Good financial health. However, the oversight and intervention from the DfE remains of sufficient concern over financial health. He confirmed that it was odd to get contradictory statements. The Principal & CEO confirmed

that she refers to this in her spring and summer Principal's Report which explained that when we were placed into supervised college status, the NTI was updated as a result. The concern is because of the ongoing uncertainty with BAE. This is now crystallising but at the time, the position was uncertain. She agreed that it seems confusing, but this is why.

FR/25/97 RESOLVED – the letter was NOTED

ITEM 11 – SUPPLY CHAIN & FEES POLICY

FR/25/98 The Director of Finance presented the policy and confirmed that a new Financial Handbook was released today but nothing appeared to have changed. The policy relates to sub-contracting, and the College does not have any sub-contracted provision.

FR/25/99 RESOLVED – the policy was RECOMMENDED to the Board for APPROVAL

ITEM 12 – H&S ANNUAL REPORT

FR/25/100 The VP Resources presented the report and asked that it be taken as read. She advised Members that Rob Lampard, H&S Manager began the report before he left in May, and the new H&S Manager finished it. She confirmed that it was a positive report with accidents going down against benchmark. However, near miss reports are going up. This is seen as positive as we have introduced an app to improve reporting of near misses. This has been very positive as a means of ensuring more serious incidents don't occur. We have gone through evacuations, and we are in a positive place. There was a trend of increased incidents at the start of the year with new students, but this tails off as the year progresses. The College works with BAE over accidents and incidents in relevant delivery areas. There has been a further RIDDOR incident. A member of staff fell and was hospitalised since the report was written. The College has concluded actions for the year and set out priorities agreed with the H&S committee. Near misses is something the College will continue with and we will continue to work to do on comms to raise awareness. Martyn's Law has also been incorporated.

FR/25/101 The Principal & CEO confirmed that colleagues at Carlisle College had a real invac situation and the Cumbrian principals have agreed to do a session on the learning from this. The Chair confirmed that anyone from the nuclear industry would talk to colleges about invac procedures if it was felt this would be helpful. The VP Resources confirmed that key to this is the ability to go into lockdown from hitting a button on reception. This has been tested and as this becomes mandatory, we have the functionality in place that puts us in a good position. This was built into the refurb at the sixth form. The building for CORE is a landlord-maintained building, so there are some differences, but the main buildings have the same process with some elements of the technology. The Principal & CEO noted that the College is due to leave its lease for CORE building over the summer.

FR/25/102 The Chair confirmed it was encouraging to see the near miss reporting and the conditioning reporting. Pyramid of every near miss is the aim to get the near misses as broad as possible to reduce the number of escalations to more serious injury at the top.

FR/25/103 Members asked if there will there be any adaptations following the fall. The VP Resources confirmed that there would not as the incident occurred when someone in a rush and fell over their trousers so it was nothing to do with the estate.

FR/25/104 The Chair of the Board confirmed it was a good report. He asked how we know that our good comparison to national averages is not because of under-reporting. The VP Resources confirmed that there is a strong culture of reporting. Charts are displayed all over the College showing how long since the last incident so people see this all the time. The Principal & CEO advised that our large local employer is extraordinarily interested in our arrangements so every tiny incident is reported. The prospect of under-reporting is low. There is a knock-on impact for other teams to make sure they are reporting and making improvements. Overall, this seems to have had a positive impact.

FR/25/105 The Chair of the Board asked if there is a Link Governor for H&S. The Principal & CEO confirmed that there was not, just a Safeguarding Governor. The Chair of the Board confirmed that it would be good to have a H&S Link. He noted that anyone who works in the nuclear industry will have a significant understanding of H&S. The VP Resources confirmed that the new H&S Manager is a career professional in H&S and is very competent. She has worked in manufacturing, and is bringing new conversations to the organisation. She is working closely with BAE looking at co-delivery and there has been a real push on consistency. The Principal & CEO confirmed that the College already has significant oversight, but the new H&S Manager has brought a different set of eyes.

FR/25/105 ACTION – the Chair of the Board to take a proposal to Governance & Search for a Link Governor for Health & Safety.

FR/25/106 RESOLVED – the report was NOTED

ITEM 13 – APPROVAL OF HEALTH & SAFETY POLICY

FR/25/107 The VP Resources confirmed that only dates have changed on the policy as it underwent an overhaul last year.

FR/25/108 RESOLVED – the Health & Safety Policy was RECOMMENDED to the Board for APPROVAL

ITEM 14 – SCHEDULE OF BUSINESS FOR 2025/2026

FR/25/109 The Governance Professional presented the schedule, and confirmed that this may be subject to change as work begins with the proposed merge.

FR/25/110 RESOLVED – the Schedule of Business was NOTED

ITEM 15 – CALENDAR OF MEETINGS FOR 2025/2026

FR/25/111 The Governance Professional presented the proposed calendar and again confirmed that this may be subject to change as work begins with the proposed merge.

FR/25/112 The Chair of the Board advised Members that he was having discussions about bringing meetings back to face to face so Members can spend more time in College. The Chair and Members agreed that this would be preferable as face to face brings a better dynamic and this can include walkabouts in and meeting

staff and students. The November meeting that is the joint meeting with the Audit & Risk Committee is already face to face in November. Agreed that the June meeting should also be face to face. The Chair of the Board asked if Members were content with the meeting starting at 5.00pm as having a meeting in the afternoon from 3.00 – 5.00pm would help in terms of being able to spend time on walkthroughs whilst in College. Members agreed that this would be welcome. Suggested that the November meeting be moved to 2.00pm – 5.00pm if Audit & Risk Colleagues agree. Attendance by Teams will remain an option.

FR/25/113 ACTION – Governance Professional to move the F&R meetings in March and June to face to face beginning at 3.00pm – 5.00pm and to consult with A&R colleagues about holding the joint November meeting 2.00 – 5.00pm.

FR/25/114 RESOLVED – the schedule was NOTED.

ITEM 16 – REVIEW OF PROGRESS TOWARDS TARGETS ON THE GOVERNANCE PIAP AND NEXT STEPS

FR/25/115 The Chair talked through the items that have been delivered through the PIAP such as the Governor Development Day with external speakers and increased participation from Governors in development activities and visits to College. Increased 1:1 meetings with the Chair, Walkthroughs, an extra Learner Experience Committee each term to review progress towards the targets in the PIAP. Members confirmed that they felt that this has had an impact, in particular the development session from Rob Lawson, NLG, and Rebecca Durber, AoC helped bring Governance to life.

FR/25/116 The Chair confirmed that in terms of next steps, introducing an Autumn, face to face, Governor Development Day will help Governors continue to feel connected to the College. Introducing a broader range of Link Governor roles, moving meetings back to face to face and moving some meetings to daytime rather than evening will also support Governors in being on site. Members agreed that this would be helpful in supporting development. In terms of impact, the recent Ofsted Monitoring Visit confirmed that Governance was making reasonable progress, but this indicates that whilst the work done has had impact, we now need to pick up the pace and ensure substantial progress at the next visit.

FR/25/117 RESOLVED – the progress towards targets and next steps were NOTED and AGREED

FR/25/118 There was no other business to consider

ITEM 18 – ITEMS FOR THE NEXT AGENDA

FR/25/119 There were no additional items

ITEM 20 – CONFIDENTIALITY

FR/25/120 Nothing was deemed confidential

ITEM 21 – SELF REFLECTION

FR/25/121 Members confirmed that they felt they had sufficient opportunity to question and discuss with a productive discussion about the link with the Learner Experience Committee in terms of the impact on students of unfilled staff vacancies, particularly teaching vacancies. Agreed that the Committee should identify risks associated with the business and look at the risks on the risk register that relate to the Committee.

FR/25/122 Agreed that having a working session with Governors and SLT to refresh the Board papers would be best done in September.

FR/25/123 ACTION – Governance Professional to work with the Chair of the Board and Principal & CEO to arrange a session between Board Members and SLT to work on Board papers.

FR/25/124 Strengths:

- Positive H&S report
- Focus on impact on students with regard to staff vacancies
- Clear, well-structured accounts
- Financial Health Good

Concerns

- Impact on students where no staff in place
- Impact on staff covering vacant posts

ITEM 22 – DATE AND TIME OF NEXT MEETING

FR/25/125 Monday 17th November – Joint with A&R – 1.00pm – 3.30pm subject to confirmation.

ACTIONS LIST FROM FURNESS COLLEGE FINANCE & RESOURCES COMMITTEE 26th of JUNE 2025

ACTION	Ref MINUTE	WHO	BY WHEN
Carry forward the action to present information identifying student facing reports	FR/25/60	Head of HR	Next Meeting
Chair of the Board to clarify the position regarding longstanding Members with the Further Education Commissioner.	FR/25/62	Chair of Board	Next Meeting
The Chair of the Board to work with Committees to identify the risks from the risk register that relates to them over the next twelve months	FR/25/71	Chair of Board	Over course of next 12m

Ensure that the training programme for new to teaching staff can be accessed at appointment rather than waiting until the next September.	FR/25/74	Director of Curriculum & Skills	In place for Sept 2025
A report to be brought to the next meeting showing take up of leadership training for staff.	FR/25/76	Director of Curriculum & Skills with Head of HR	Next meeting
Future management accounts to better capture any impact on learners where a variance is noted due to staff vacancies.	FR/24/81	Director of Finance	Next meeting
Future management accounts to include a narrative regarding the BAE position	FR/25/89	Director of Finance	Next meeting
Governance Professional to set up a meeting on the 4.7.25 to discuss the Budget and Three-Year Plan.	FR/25/94	Governance Professional	ASAP
The Chair of the Board to take a proposal to Governance & Search for a Link Governor for Health & Safety.	FR/25/105	Chair of Board	Next G&S Meeting
Governance Professional to move the F&R meetings in March and June to face to face beginning at 3.00pm – 5.00pm and to consult with A&R colleagues about holding the joint November meeting 2.00 – 5.00pm.	FR/25/113	Governance Professional	2025/26 cycle of meetings
Governance Professional to work with the Chair of the Board and Principal & CEO to arrange a session between Board Members and SLT to work on Board papers.	FR/25/123	Governance Professional	Autumn Development Day