

## **FINANCE & RESOURCES COMMITTEE TERMS OF REFERENCE**

### **1. Purpose**

1.1 The Code of Good Governance for English Colleges outlines the need for Corporations to:

- Adopt a financial strategy and funding plans, which are compatible with the duty to ensure the sustainability and solvency of the College.
- Ensure that effective control and due diligence takes place in relation to all matters including acquisitions, subcontracting and partnership activity.

### **2. Membership**

2.1 The Committee shall consist of at least 3 members. In addition, external individuals may be co-opted.

2.2 All members of the Board will be eligible to serve on the Committee, except for those who are members of the Audit Committee.

2.3 Terms of office of members of the Committee shall last until the expiry of their term of office as a Board member unless he/she has been appointed for a further term of office.

2.4 Co-opted members of the Committee will be appointed by the Board and will hold office for a period of one year, following which they will be eligible for reappointment.

2.5 The Board will review the membership of the Committee from time to time and may make changes as it sees fit.

### **3. Election of Chair and Vice-Chair**

3.1 The Chair and Vice-Chair of the Committee will be selected by the Committee, for a term not exceeding 4 years.

3.2 The retiring Chair and Vice-Chair will be eligible for re-appointment.

3.3 In the absence of both the Chair and Vice-Chair from a meeting, the Committee will appoint another member to act as Chair for that meeting.

#### **4. Frequency of Meetings and Quorum**

4.1 The Finance and Resources Committee shall meet at least once a term. Additional meetings may be called as necessary in agreement with the Chair.

4.2 The quorum for meetings of the Committee shall be three members, including co-opted members.

#### **5. Responsibilities of the Committee**

##### **5.1 FINANCE**

Making recommendations to the Corporation on:

- the approval of the College's financial statements
- the annual estimates of income and expenditure
- the five-year financial forecast and other budgets
- major variations of expenditure
- capital expenditure requirements, including loans
- the College's accommodation needs and subsequent strategy
- reserves and strategic re-investment policy
- any proposed large capital projects and their financial implications.
- cash flow forecasts and overall financial performance
- the financial performance of subcontracted provision
- approval of the subcontracting policy and arrangements (including approval of subcontracting educational rationale for publication as per guidance requirements)
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- key balance sheet items
- the review and approval of the financial regulations and procedures
- all trading subsidiaries' performance, research and consultancy which may be conducted
- Annual pay review (Pay and Conditions)
- The College's insurance arrangements

- Reviewing arrangements for securing value for money, solvency and safeguarding of assets
- Approving major variations of the budget
- Receive and note capital expenditure over £50,000 within the approved programme, and monitoring projects
- Approving tuition fees and other fees payable policy
- Approval of HE Fees
- Determining the College's investment and borrowing policies
- To receive the management accounts of the college and its active subsidiaries on behalf of the Corporation
- Approval of the accounts of the dormant subsidiaries: Charles Middleton, Warrington Business School, Warrington 6<sup>th</sup> Form Academy Ltd, Warrington 6<sup>th</sup> Form College and Company Plus.
- To monitor and evaluate the College marketing activity in relation to strategic planning objectives
- To approve the college's Provision of Bad Debts Policy
- To approve the college's insurances annually, ensuring that the college has sufficient insurance cover

Note:

- The Corporation shall remain responsible for the approval of the annual estimates of income and expenditure, ensuring the solvency of the Corporation and the safeguarding of its assets.

## 5.2 HUMAN RESOURCES

- To approve the HR strategy, excluding matters regarding the remuneration of the holders of senior posts which will be dealt with by the Senior Staff Salaries Committee
- To set a framework for the pay and conditions of service for all staff (except senior post holders whose posts will be determined by the Senior Staff Salaries Committee)
- The Committee will consider all issues related to effective and efficient human resource management and development policies and procedures as affecting employees of the Corporation
- To consider and decide upon applications for ex gratia payments. Such payments may be decided upon by the Chairman, on behalf of the Committee, in cases of extreme urgency
- To have oversight of all employment related research and consultancy which may be conducted
- To ensure the promotion of Equal Opportunities throughout the work of the College
- To review annually the fees and terms of the contract for the provision of Clerking services, if the Clerk is employed on a consultancy basis.
- To approve the College's salary scale

## 5.3 ESTATES

- To review the College's Estates Strategy document, prior to approval by the Corporation.

- To make recommendations to the Corporation on the College's overall Estates Strategy, including the acquisition, disposal or development of land and buildings,
- To review and approve the College's annual long-term maintenance programme.
- To review all lease agreements entered into by the College with third parties, to ensure consistency with the Estates Strategy and Strategic Plan.
- To review bids for external funding which impact upon the College's Accommodation Strategy
- To review College policies on the environment, energy conservation and the supply of utilities.

#### 5.4 COMMERCIAL ACTIVITIES AND STRATEGIC PARTNERSHIPS AFFECTING GLOBAL RESOURCES

To advise the Board of Governors on any matter relating to College Policy and Strategy in relation to the above.

### **6. Clerking Arrangements**

6.1 The Clerk to the Corporation shall act as Clerk to the Committee.

### **7. Reporting to the Board**

7.1 The minutes of each meeting of the Finance and Resources Committee shall be presented to the next ordinary meeting of the Board.

7.2 Any recommendations made by the Committee will appear as items on the agenda for the next ordinary meeting of the Board.

### **8. Review and Approval**

8.1 The terms of reference of the Finance and Resources Committee will be reviewed on an annual basis and recommendations made to the Board as appropriate.

### **9. Other Matters**

9.1 The Committee shall:

- Ensure that new and existing members receive appropriate training in all aspects of the Committee's responsibilities

- Maintain and operate to an annual reporting cycle which covers all key matters as per the Committee's terms of reference.

9.2 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary.

## FINANCE AND RESOURCES COMMITTEE

### Cycle of Business 2021/22 (Issue 3)

		Autumn Term		Spring term	Summer term		FAO Corporation
		Sept <i>(extra early year meeting)</i>	Nov <i>(core meeting)</i>	February <i>(core meeting)</i>	April <i>(extra meeting)</i>	June <i>(core meeting)</i>	
1	Appointment of Chair	X					N
2	Review of prior year financial outturn	X					Y
3	Update on new year recruitment	X					N
4	Review of committee terms of reference		X				Y
5	College annual financial statements		X				Y
6	Other annual accounts- approve: <ul style="list-style-type: none"> <li>Charles Middleton Accounts</li> <li>Company Plus Accounts</li> <li>Warrington Business School Accounts</li> <li>Warrington Sixth Form Academy</li> <li>Warrington Sixth Form College</li> </ul>		X				N
7	Annual Pay Review		X				Y
8	Review of college Insurances		X				Y
9	Review of in-year financial performance <i>(management accounts - including subcontractor performance)</i>		X	X	X	X	Y
10	Termly Apprenticeship report		X	X		X	N
12	Termly HR reports <i>(inc gender pay gap statement in Spring)</i>		X	X		X	N
13	Projects Register – Termly update		X	X		X	N
14	College Development Plan - Termly monitoring <i>(as relevant to the Committee)</i>						
15	Risk Register		X	X		X	N

	(as relevant to the Committee)						
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		Sept (extra early year meeting)	Nov (core meeting)	February (core meeting)	April (extra meeting)	June (core meeting)	
16	Estates reports: (energy conservation; supply and use of utilities and estates strategy)		X				N
17	Estates Strategy*			X*			Y
18	Long Term Maintenance Plan			X			N
19	HR Strategy – monitor (3 year strategy due for review/approval in 2024)			X		X	N
20	ESFA Finance Record for the current year			X			
21	Emerging college budget for following year			X			Y
22	College budget for following year (to include proposed capital and ILT spend)					X	Y
23	College Financial Forecast Return (CFFR)					X	Y
24	Tuition Fees Policy and other Fees Payable - approve					X	N
25	HE Fees Policy – rec to Corp					X	Y
26	Bursary Proposals – rec to Corp				X	X	Y
27	Subcontracting Policy and Subcontracting Arrangements (annual)					X	Y
28	College Policy Reviews: to recommend to Corporation <ul style="list-style-type: none"> <li>Financial Regulations</li> <li>Sustainability and Environmental Policy (due June 2024)</li> </ul>					X X	Y
29	Write off bad debts (previous year)	X					
30	Write off bad debts provision policy (every 3 years – next due (2024))		X				
31	College Insurances for current year	X					

32	Gender pay gap report			X			Y
33	HE Student Protection Plan					X	
34	Grievance Procedure (due 24)					X	
35	S and A Funds Statement					X	
36	Treasury management operations/performance		X	X		X	
37	Waive of formal tender cumulative spend report		X	X		X	

**Notes:**

- 1) Additionally, as customary, Committee members will be invited to attend the first part of the Audit Committee's November meeting, for the items relating to the Financial Statements and associated audit reports.
- 2) \* Estates Strategy for 20-25 valid for 3 years thus not now due for this Spring Term review until Spring 2023