

GO004 Terms of Reference – Finance and Resources Committee

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Summary

The Finance and Resources Committee has overall responsibility, on behalf of the Corporation, for the conduct of the College’s financial affairs and for any other matters delegated by the Corporation.

The Committee’s advice and decisions shall be directed to the protection and enhancement of the College’s assets, the best use of its income to meet the objectives of the College and to ensure the solvency of the College.

GO004 Terms of Reference – Finance and Resources Committee

1. Membership

The Committee shall be appointed by the Corporation and shall consist of at least three external members of the Corporation plus the Principal/Chief Executive. Staff and student governors are eligible to be members. In the absence of the Chair and Vice Chair, the members attending the meeting shall select one of their number to 'Chair' that meeting.

Persons who are not members of the Corporation but are deemed to have the skills required to enhance the responsibilities of the committee may be appointed as Associate Governors on the Committee but may not hold the position of Chair or Vice Chair.

Other Corporation members may attend meetings, in an observer capacity, with prior approval of the Chair of the Committee.

2. Quorum

Meetings of the Committee shall be quorate if three members are present.

3. Purpose

The Association of Colleges Further Education Code of Good Governance (2024) outlines the need for Corporations to:

- bring together behaviours, practices and process of governance, for the board to assess how successfully they are carried out using verification through external means (where available), and to provide assurance that governance is effective.

The Corporation and its Committee at all times will have due regard to the Seven Principles of Public Life and the requirements of the guidance set out in Her Majesty's Treasury's 'Managing Public Money'. Delegation does not absolve the Corporation from the accountability for the conduct and decisions of its committees. The Corporation remains responsible for the proper conduct of the College for undertaking its duties under the instruments and articles of government and for complying with the other legislation to which it is subject.

The Terms of Reference of the Committee may be varied at any time by the agreement of the Corporation.

The Committee and the Corporation will have at the heart of its work the College's Strategic Plan and Accountability statement and will demonstrate through its meetings and decision making to transform individuals and build communities through education.

4. Appointment of Chair and Vice Chair

The Committee shall elect a Chair and Vice Chair from among its members. The Chair and Vice Chair must be external members. The terms of office shall be for two years and shall be eligible for re-appointment thereafter. Student, Staff or Associate Members shall not be eligible for election as Chair or Vice Chair.

5. In Attendance

The Finance Director and senior post holders shall attend and speak at meetings of the Committee (they will have no voting rights). Senior managers shall attend and speak at meetings of the Committee where business relevant to them is being discussed or where their attendance has been requested by the Committee (they will have no voting rights).

The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee where business relevant to them is being discussed or where their attendance has been requested by the Committee (they will have no voting rights).

6. Frequency of meetings

The Committee shall meet at least termly on a cycle consistent with the activities and requirements of the College.

The Clerk (Governance Professional) to the Corporation shall act as Clerk (Governance Professional) to the Committee.

7. Responsibilities

Financial strategy and monitoring

- To consider and advise the Corporation on all aspects of the Corporation's finances, financial policies, controls, assets/liabilities and strategy (including the policy by which the tuition and other fees payable are determined).
- To consider and advise the Corporation on the annual estimates of income and expenditure, including the setting of the budget, capital spend including loans, the financial implications of major building projects, major repairs and renewal projects, acquisitions and disposals of land and buildings, major variances of income and expenditure, financial forecasts, monitoring of the management accounts, review of cash flow and forecasts and the review of key financial performance indicators.
- To consider and review the Annual Financial Statements and recommend them for approval to the Corporation.
- To keep the accounts of income and expenditure under review, including forecasts, and ensure that economy, efficiency, and effectiveness is secured.
- To keep the Corporation informed of the College's financial position, including solvency, cash flow and safeguarding of assets of the College.
- To determine on behalf of the Corporation appropriate Financial Regulations and controls relating to contracts as outlined in the College Financial Handbook 2024.
- To consider any proposed capital projects and to advise the Corporation on their financial implications.
- To consider and advise the Corporation on the College's investment strategy and to seek appropriate advice from external sources as necessary.
- To consider and advise the Corporation generally on borrowings and taxation issues and to seek appropriate advice from external sources as necessary and make recommendations for approving those organisations with which the College will maintain investments and loans in order to support high quality and innovative learning. The Committee will receive periodic performance reports for any invested funds and at least an annual statement of the terms and key covenants of all loans.

- To deal with such other financial or general matters as may from time to time be referred to the Committee for consideration or approval. To review any prospective increase to the net expenditure total or any major shift in resources required by changing circumstances. The Committee and/or its Chair shall produce on any report required to the Corporation.
- The Corporation shall remain responsible for approval of the annual estimates of income and expenditure, the effective and efficient use of resources, the solvency of the College and safeguarding its assets.
- To monitor and review interactions with the DfE including interventions.
- To consider any strategies and policies for those areas that are the responsibility of the Committee.
- Annually to review and recommend for approval, the Financial Regulations, Tuition Fees and any other financial policy that requires governance approval and ensure that they are in line with the College's agreed strategic aims and objectives.

Resources

Accommodation and Facilities

- To review and approve the estates strategy and maintenance plan.
- To consider any proposals relating to the acquisition and disposal of College property and make appropriate recommendations to the Corporation.
- To consider reports on space utilisation and income generation from College assets with a view to ensuring that the College obtains optimal value for money (VFM), advising the Corporation as appropriate.
- To review the state of the College's accommodation and facilities regarding their functionality and suitability for purpose, advising the Corporation as appropriate.

Human Resources

- To monitor the pay and conditions of service of all staff, other than Senior Post Holders (SPH), having regard to Corporation policy, affordability, and external factors, recommending any changes to the Corporation.
- To monitor staff numbers against the agreed staffing plan.
- To review, monitor, evaluate and report to the Corporation on matters identified on staff engagement through the annual staff survey.
- To monitor all staff retention rates, resourcing, absence levels and learning and development.
- Take a strategic view of the College's People policies and operations, ensuring that they contribute effectively to the delivery of the College's business needs.
- To consider, monitor and advise the Corporation on all matters connected with staffing of the College including current and projected staffing needs and recruitment policy.
- To review, monitor, evaluate and report to Corporation the College's approach to staff reward and remuneration with the exception of the Senior Post Holders.
- To monitor and review risk management for those areas that are the responsibility of the Committee.

Other

- To approve, monitor and review the effectiveness of the College's IT and Digital Strategy and recommend to the Board.
- To approve, monitor and review the effectiveness of the College's Marketing Strategy and recommend to the Board.
- The Committee shall liaise with other Committees where necessary.

8. Reporting

- The Clerk to the Committee shall circulate the minutes of each meeting, after approval by the Chair, to Committee members.
- An update on Committee activities will be provided by the Chair at the following Corporation meeting.

9. Review

- The membership and terms of reference of the Committee shall be reviewed every two years.
- Amendments to membership and terms of reference shall be made by the Corporation on the recommendation of the Committee.
- The Committee shall also consider, review, or note any other financial matter delegated by the Corporation.