

Terms of Reference of Finance and Estates Committee

Version Control

1	04/12/17	Initial draft by Tim Howes
2	10/12/17	Amends by Malcolm Broad
3	22/01/18	TH - Combined amendments by MB and GS
4	12/02/18	Amends following F&R committee 22/01
5	19/02/18	GS check and minor amends
6	11/05/18	GS amends re membership and quorum/formatting/consistency
7	16/05/18	CT Formatting consistency
8	20/05/18	GS \CT amends as per Governance Committee 18/05/18
9	13/07/18	GS amends as per Board comments
10	04/10/18	GS amends to ensure trustee majority agreed by Trust Board 12 October 2018
11	16/07/21	Trust Board approve updates

Terms of Reference of Finance and Estates Committee

In accordance with Articles 105 and 137 of the Articles of Association, the Board of Trustees has established a Finance and Estates Committee. The Board of Trustees delegates authority to the Finance and Estates Committee to act in accordance with the approved Terms of Reference as stated below.

The Terms of Reference of the Trust's various committees, along with the Articles, the Scheme of Delegation and the Trust's policies issued from time to time form the framework by which the Trust is governed and managed, and in particular:

- how the Trustees ensure compliance with the various statutory and regulatory requirements placed upon them
- the relationship between the Trustees, the Academy Governance Committees, the Executive Team, and (in the case of Church Academies) the local Diocese
- how the Trustees, local governors and the executive team work together effectively

These Terms of Reference may be amended at any time by decision of the Trustees.

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PURPOSE

1. The overall purpose of the Finance and Estates Committee is to:

- a. ensure that The Trust's framework of financial planning, treasury management, systems and controls is enabling the proper management of the financial resources across the Trust, applying the letter and the spirit of the Academy Trust Handbook.
- b. support the Board in ensuring that a framework is established and maintained for optimising the deployment of all financial and other resources available to the Trust, to enable it to meet its objects.
- c. provide assurance to the Board that the Trust's obligations in terms of financial reporting to its regulatory authorities, HMRC and other external bodies are being met.
- d. support the Board in providing an added level of scrutiny in the monitoring of financial matters.
- e. keep the Board regularly informed of the Committee's activities and key decisions.
- f. approve, review and amend Finance, Reserves, Investment, Treasury and other financial policies.
- g. monitor key financial performance indicators across the Trust and direct corrective action where necessary.
- h. review and recommend to the Board the budget for the coming year; monitor future years' forecasts and alert the Board to any significant concerns, ensuring sufficient rigour and scrutiny in the budget management process.
- i. monitor the Trust's performance against budget and alert the Board to any significant variances.
- j. review the draft of the [three/five] year business plan and supporting financial plan and budget and make recommendations to the Trust Board.
- k. approve expenditure from reserves within financial delegations.
- l. enter into contracts for the supply of goods and services (according to financial delegations).
- m. keep the bank mandate and banking provision under review.

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- n. maintain the stability of the Trust's financial position by monitoring cash flow and ensuring the effectiveness of financial controls.
- o. develop and agree the Trust's procurement strategy; monitor compliance in relation to procurement and measure the effectiveness of procurement processes in delivering value for money.
- p. develop and maintain the Trust's estates and asset planning strategy.
- q. develop and recommend to the Board the Trust's capital investment programme in line with capital funding and the Trust's estates strategy.
- r. monitor capital spend to ensure the Board's capital investment objectives are being met.
- s. monitor the condition of the Trust's estate to ensure all facilities remain fit for purpose and provide suitable accommodation for teaching and learning and other activities.
- t. monitor land and buildings leasing arrangements and approve new leases on behalf of the Board (according to financial delegations).
- u. oversee financial and premises due diligence of new schools and provide representation on the joint Finance / Audit & Risk New Schools Committee.
- v. monitor the overall financial performance of the Trust's trading company, in particular to ensure that a strategy for maintaining and improving the Trust's sports facilities is in place.
- w. develop and recommend to the Board a plan for the use of trading company profits.
- x. keep the structure and effectiveness of the Trust's finance department under review.
- y. ensure that any increases in pension contributions resulting from triennial actuarial valuations are taken into account when producing annual budgets and that pension contributions are affordable.
- z. review, on a regular basis, its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness.

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MEMBERSHIP

1. Membership of the Finance and Estates Committee will comprise five committee members, including a majority of Trustees.
2. In appointing the Committee membership the Board will ensure that the Committee has the right balance of skills, knowledge and experience overall to fulfil its remit.
3. The chair of the Finance and Estates Committee will be a trustee and will be appointed as the Committee chair by the Board, taking into account the skills and experiences required for the position and the balance of chairing responsibilities within the Trust. The Vice-Chair shall be appointed by the Finance and Estates Committee.
4. The Finance Director (or Chief Operating Officer in the absence of the Finance Director) will attend as lead professional advisor to the Committee.

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CONSTITUTION

1. Frequency of meetings:

- a. There will be at least four meetings of the Finance and Estates Committee per academic year.
- b. Additional ad hoc meetings be arranged as required.
- c. Time limited ad hoc working groups may be established as required.
- d. Such working groups should have clear terms of reference to clarify their purpose and reporting lines to the Finance and Estates Committee. The creation of any working group must be reported to the Board or relevant sub-committee to ensure consistent working across the Trust.

2. Quorum and Voting:

- a. The quorum shall be three committee members, including a majority of Trustees.
- b. For every matter that requires a decision at a Finance and Estates Committee meeting, the Chair should encourage discussion of the pros and cons of the various options with a view to reaching a consensus. Where, after adequate discussion, the meeting has reached a clear consensus, the Chair should summarise the position which must be formally recorded as a decision in the minutes. Where a consensus is not possible or not clear, the Committee may wish to defer the matter for further investigation or reach a decision through a formal vote, with the Chair having the casting vote if necessary. For matters of major significance or where some individuals could be influenced by others, consideration should be given to conducting a secret vote. The outcome of any vote must be recorded in the minutes.

3. Terms of Office:

- a. The terms of office of the members shall be as follows:
 - i. Trustee Chair - appointed annually by the Trust Board
 - ii. Trustee/ AGC members: four years, renewable as agreed between the Board and the member, subject always to the needs of the Trust and to the member's term of office as a Trustee/Governor.

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4. Clerk:

- a. The Trust's Chief Operating Officer shall ensure that clerking support is available for each meeting.

5. Integrity and Openness:

- a. Committee members will comply with the Trust's Code of Conduct and policy on conflicts of interest.