

# **Blue Tangerine Federation**

## **Finance Committee - Terms of Reference – October 2024**

### **Purpose**

The purpose of the Finance Committee is to oversee, challenge and support the schools in respect of their Financial obligations and activities. The Committee comprises individuals with an understanding of the school policies and objectives in these areas and works with the Senior Leadership Team to ensure full accountability for the financial wellbeing of the schools. This document sets out how the Finance Committee aims to achieve this purpose and it will be reviewed at least annually.

### **Financial**

The following duties are delegated from the Governing Body (GB) in line with the Financial Delegation Policy.

#### *School Deficit*

- At the date of this Terms of Reference, St Luke's School has been reporting a much-improved position and cash flow has been stronger. Forward forecasting suggests deficit budgets will be delivered in future years (also with The Collett School), and recent decisions to not pay the agreed additional funding at St Lukes will lead to an overdrawn situation in the bank. This is being closely monitored by the Finance & Resources Committee.

The Finance and Resources Committee will continue to;

- Scrutinise the costs associated with the running of the schools, with the management team, to create action to reduce any deficit, as appropriate.
- Work with the school management team to continue to seek improved funding for the increasing needs of pupils that has led to increases in cost, not matched by income levels.
- Support and seek benchmarking, in line with the activity for the SFVS, to support the review of pupils needs.

#### *Budget*

- Monitor the school's medium term budget plan and vision in light of the School Improvement Plan and the likely level of future resources available / projected pupil numbers, to ensure stability of financing for the school.
- Consider the draft annual school budget, including developing an understanding of the key metrics and sensitivities within it. Provide challenge where appropriate ahead of proposing the budget to the GB for approval.
- Monitor and control expenditure against the budget during the financial year, in particular ensuring that finance is directed towards expenditure that noticeably enhances the school for the benefit of all groups of pupils.
- The Committee is responsible for the financial competence of the GB, as recorded in the SFVS (Schools Financial Value Standard).
- Oversee the allocation and impact of specific budgets including those that are ring fenced (e.g. Pupil Premium, Exceptional Needs Funding, Sports Premium).

## *Funding*

- Formally consider and, where appropriate, approve requests for funding of between £10,000 and £25,000.
- Provide guidance on budgetary spend below £10,000 where requested.
- Ensure that the school's approach to procurement, contracting and commissioning is consistent with the authority's Contract Regulations and should achieve 'best value'. In particular, to oversee the monitoring of the school's contracts for the supply of goods and services (to ensure that these are satisfactory) and to ensure that at regular intervals there is 'market testing' of contracted supplies to determine whether better value alternatives are available.
- The Chair of Governors shall approve all payments above £50 made to the Headteacher personally, e.g. reimbursement of payments for goods/services purchased on behalf of the school and/or personal expenses incurred, such as travel expenses.

## *Specific Activities*

- Set a charging policy for consideration by the GB.
- Approve and write off bad debts accruing to the school up to a value of £500; items above £500 must be referred to the Full Governing Body for approval.
- Open bank accounts and approve or vary signatories thereto.
- Consider whether to provide an annual financial report to parents, and if deemed appropriate take responsibility for producing this.
- Spot checks to ensure Schedule of Financial Delegation is being followed.

## **Resources**

The Finance & Resources Committee will also review the following for both schools::

- Health & Safety updates, including accident information
- Premises reports
- Asset Management Plan
- Staffing – including resignations & appointments
- Policies for approval, pertinent to this Committee
- GDPR breaches

## **Composition of the Committee**

The Finance Committee comprises at least three full Governors and (when appropriate), one Finance Link Governor. Other Associate Governors and non-Governors may be invited to attend from time to time to bring specialist skills and experience to the work of the Committee, but in a non-voting capacity.

The Executive Head Teacher and Head of Operations shall attend meetings as necessary and appropriate. Certain tasks may be delegated to members of the Committee, or to the school's Head of Operations, as appropriate.

The Committee will elect a Chair from among the members of the Committee. In the absence of the Chair at a meeting the Committee will elect any member to act as Chair for that meeting.

## **Quorum**

Decisions made at the Finance Committee require a quorum of three full Governors to be valid. Should a quorum not be present at a meeting, any decisions must be referred to the full GB. Decisions may, from time to time, be made by exchange of email or by other means that represent a quorum.

## **Meeting frequency, agenda, papers and minutes**

The Committee shall meet on a half-termly basis (or more frequently as required) and this meeting will generally be one or two weeks ahead of a full GB meeting. Meeting papers and an agenda will be circulated at least one full week ahead of each meeting. A full and accurate set of minutes will be produced at every meeting, for circulation within two weeks of that meeting to all Committee members. Minutes of meetings will record those present, the date and any decisions, action points or recommendations. Any recommendations must be written in such a way as to offer the GB a clear proposal or alternatives to debate and decide upon.

## **Monitoring effectiveness**

The composition and effectiveness of the Finance Committee shall be reviewed by the Chair of Finance Committee, Chair of Governors and Executive Headteacher at least annually, to ensure it continues to operate to achieve its purpose and that its membership comprises an appropriate mix of skills and experiences.

Emailed to the Finance & Resources Committee Governors – October 2024  
To be approved