



# **Gateshead College Further Education Corporation Finance and General Purposes Committee Terms of Reference**

## **Part one: Committee Terms**

## **Part Two: Committee Rules of Procedure**

**Date adopted: 2 October 2020**

**Date of last review: 2 October 2020**

**Date of next review: [October 2022]**

Nothing in this document is meant to override the provisions of the Instrument and Articles of Government in force from time to time which at all times are to be regarded as the primary sources of guidance.

Where there is any inconsistency between this document and the Standing Orders, these terms of reference shall prevail.

## **PART ONE**

### **Committee Terms**

#### **1. Purpose**

- 1.1 To oversee the College's financial governance, its statements of income and expenditure and the effective use of all resources.

#### **2. Membership**

- 2.1 The Committee shall comprise up to 7 members elected as follows:
- 2.1.1 up to 3 elected by the members of the Corporation;
  - 2.1.2 up to 2 co-opted by the Committee members;
  - 2.1.3 the Principal (ex officio).
- 2.2 The Director of Finance (ex officio) shall be entitled to attend meetings of the Committee but shall not be entitled to vote. The Committee may invite other persons to attend.
- 2.3 Members of the Audit Committee are ineligible to serve on the Committee.
- 2.4 The number of members who are also staff members of the Corporation shall never be in the majority.
- 2.5 The members of the Committee shall from time to time appoint one of their number to be Chair of the Committee.

#### **3. Quorum**

- 3.1 The quorum for meetings of the Committee shall be three and non staff and student members must be in the majority.

#### **4. Meeting Frequency**

- 4.1 Meetings will be held up to 5 times per year, and at least once per term.

#### **5. Remit**

- 5.1 To advise the Corporation on the following:
- 5.1.1 matters concerned with ensuring the solvency of the College and the safeguarding of its assets;
  - 5.1.2 the approval of the annual budgets of income and expenditure, both revenue and capital (including the approval of annual budgets of the Corporation's subsidiaries);
  - 5.1.3 matters concerning borrowing and/or granting mortgages and security and the investment of surplus funds;
  - 5.1.4 the implementation, monitoring and review of the treasury management policy statement;
  - 5.1.5 on annual financial accounts and financial aspects of annual reports;
  - 5.1.6 the adequacy and suitability of the College's Estate;

- 5.1.7 the “Corporation’s Estates Strategy”;
  - 5.1.8 the financial implications of capital projects;
  - 5.1.9 the performance of the Committee and the activities undertaken in pursuit of the Corporation’s business objectives;
  - 5.1.10 opportunities identified to achieve sustainable business growth and diversification of funding through business initiatives aligned to College strategy;
  - 5.1.11 the financial oversight and performance of any subsidiary companies; and
  - 5.1.12 the financial implications of proposed acquisitions and disposals.
- 5.2 On behalf of the Corporation to make the following decisions:
- 5.2.1 to exercise oversight of the conduct of all financial affairs of the College;
  - 5.2.2 to review regular statements concerning all capital expenditure;
  - 5.2.3 the approval of Financial Regulations;
  - 5.2.4 the approval of a treasury management policy statement;
  - 5.2.5 the approval of contracts outside of the ordinary course of business or where the financial thresholds required under the Financial Regulations or otherwise;
  - 5.2.6 the approval of the annual sub-contracting plan and the approval of any sub-contracting arrangements that materially vary from that plan;
  - 5.2.7 to make any decision or decide to enter into any transaction:
    - (a) which requires investment by the Corporation of; and/or
    - (b) in which the potential liabilities being acquired are; and/or
    - (c) with a transaction value of; or
    - (d) which results in the Corporation spending:
 

less than £1,000,000 (to be calculated in aggregate) (with such decisions or transactions of an aggregate value of less than £250,000 being delegated by the Committee<sup>1</sup>). Any decision over this threshold shall be referred to the Corporation for approval;
  - 5.2.8 to enter into contacts for the disposal of assets (other than contracts for the disposal of land and property by way of sale or lease of more than seven years which shall always be referred to the Corporation) of a value of less than £1,000,000 (with such disposals of a value of less than £100,000 being delegated to the Finance Director and Principal). In the case of a disposal of any proprietary interest, it shall also comply with paragraph 22.2 of the Financial Memorandum (Further Education Colleges) 2016 to 2017, as updated from time to time;
  - 5.2.9 to enter into contracts for the acquisition of land and property, major adaptations to and the construction of buildings costing less than £1,000,000;

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<sup>1</sup> Delegation as follows: £1,000 to £49,999.99: Finance Director, £50,000 to £249,999.99: Finance Director and Principal.

- 5.2.10 to appoint bankers and payroll services;
  - 5.2.11 to ensure that adequate arrangements for statutory and other insurance cover have been made;
  - 5.2.12 to ensure the prompt completion of financial returns, reports and statements as required by statute and the ESFA;
  - 5.2.13 to receive a final report following the completion of a capital project;
  - 5.2.14 the establishment, acquisition and disposal of any subsidiary companies, agreeing the business plans of any subsidiary companies and considering their performance individually and within the Corporation's overall group structure;
  - 5.2.15 to agree accommodation developments including leasing arrangements and minor adaptations to existing buildings;
  - 5.2.16 to determine tuition and other fees and student loans;
  - 5.2.17 to agree Information Technology Infrastructure arrangements and security;
  - 5.2.18 to review and approve facilities management arrangements;
  - 5.2.19 to receive, approve and monitor the Corporation's business development plan and business strategy and set targets and objectives for the Corporation's business development function;
  - 5.2.20 to monitor and assess the performance of the business development function (which includes the business development team of the College, the College's subsidiary companies and their management) against agreed corporate objectives;
  - 5.2.21 to review opportunities for income generation and explore such opportunities on behalf of the College (taking appropriate steps to protect the College's interests); and
  - 5.2.22 to review and access opportunities for partnerships and collaborations, mergers and acquisitions.
- 5.3 To refer to the Corporation for approval the following matters:
- 5.3.1 any matter affecting the solvency of the Corporation;
  - 5.3.2 any item which may have a detrimental or adverse impact on the Corporation's reputation or its charitable status;
  - 5.3.3 any item which affects the educational character of the Corporation or its mission;
  - 5.3.4 any decision or transaction:
    - (a) which requires investment by the Corporation of; and/or
    - (b) in which the potential liabilities being acquired are; and/or
    - (c) with a transaction value of; and/or
    - (d) which results in the Corporation spending,
      - £1,000,000 or more (to be calculated in aggregate);

- 5.3.5 any disposal of land and property (comprising sales and leases granted for a term of more than seven years) (which shall also comply with paragraph 22.2 of the Financial Memorandum (Further Education Colleges) 2016 to 2017, as updated from time to time);
- 5.3.6 any disposal of assets other than as set out in the preceding paragraph with a market value of £1,000,000 or more;
- 5.3.7 any acquisition of land and property, assets, major adaptations to and construction of buildings of £1,000,000 or more;
- 5.3.8 agreeing the College's policy on fee setting;
- 5.3.9 any decision which poses a material risk to the Corporation or its finances;
- 5.3.10 any decision which deviates from or conflicts with the Corporation's agreed strategic plan;
- 5.3.11 any item of business in relation to which a decision may not be made without due consideration having been given to it either by the Corporation, or by another committee of the Corporation.

For the avoidance of doubt, it shall be for the Chair of the Committee to determine, following consultation with Committee members, whether a matter or decision is one which must be presented to the Corporation for approval under this paragraph 5.3.

5.4 To report to the Corporation on its activity at each Corporation meeting by:

- 5.4.1 an overview of the work of the Committee from its chair;
- 5.4.2 the presentation of a RAG rated report, demonstrating performance of the Corporation in relation to the remit of this Committee against agreed performance objectives;
- 5.4.3 the presentation of further reports to the Corporation on a "by exception" basis; and
- 5.4.4 the presentation of most recent management accounts.

## PART TWO

### Committee Rules of Procedure

Save as stated in the Committee Terms of any committee, the following rules of procedure (**Rules**) shall apply to the committees of the board of governors of the Gateshead College Further Education Corporation (**Corporation**).

Paragraph 7 of the Standing Orders shall apply to each of the committees (**Committees**).

<p><b>1. Membership and Chair</b></p>	<p>1.1 The membership for each Committee meeting is as stated in Part One.</p> <p>1.2 Except for any ex officio Committee members, the continuation of membership of all other Committee members shall be subject to annual confirmation by the Corporation on the recommendation of the Governance Committee. If such annual confirmation does not occur (for whatever reason) such Committee members shall be deemed to have continued in office.</p> <p>1.3 In appointing persons to be members of the Committees, regard shall be had to the need to ensure that the Committee membership comprises the right mix of skills and expertise needed to discharge the functions of the Committee and which can effectively challenge and oversee the work of the senior post-holders and the wider staff of the College.</p>
<p><b>2. Clerk</b></p>	<p>2.1 The Clerk to the Corporation shall act as Clerk to the Committees except, in the case of the People and Remuneration Committee, where the remuneration or performance of the Clerk is under consideration. At such times that Committee will appoint one of their membership to keep a record of discussion or will engage a temporary Clerk.</p>
<p><b>3. Committee Meetings</b></p>	<p>3.1 The quorum for each Committee meeting is as stated in Part One.</p> <p>3.2 If the number of Committee members falls below the quorum, the remaining Committee members may temporarily co-opt an additional Committee member(s) in order to meet the quorum, provided that the Clerk is notified immediately. The Clerk shall ensure that the Governance Committee either confirms the temporary appointment or recommends such other Corporation member as it sees fit to fill the vacancy and that the recommendation is put to the Corporation members at the next Corporation meeting.</p> <p>3.3 Every matter of the Committee shall be decided by a majority of votes and in the case of equality of votes, the Chair of the Committee shall have a casting vote.</p> <p>3.4 Any Committee member may request that an item be included on the agenda of a Committee meeting, but the agenda shall be approved by the Chair of the Committee.</p> <p>3.5 All Committee meetings shall comply with the requirements for Corporation meetings set out at paragraphs 4.3, 4.4, 4.8 and 4.10 of the Standing Orders where all references to 'Corporation' shall be deemed to read 'Committee' and all references to 'Chair' shall be deemed to read 'Chair of the Committee' in this regard unless the context requires otherwise.</p>

	3.6	Committee meetings will generally be held upon seven days' notice unless the circumstances require a meeting to be held on shorter notice.
	3.7	Minutes of the Committee meetings shall be sent to the Corporation by the Clerk after approval by the following Committee meeting.
<b>4. Conduct</b>	4.1	The Code of Conduct shall apply equally to Committee members and Committee meetings as it does to Corporation members and Corporation meetings.
<b>5. Attendance at Committee meetings</b>	5.1	Only Committee members and the Clerk and (if not already a Committee member) the Principal shall be entitled to attend meetings of the Committees as of right.
	5.2	Any other person who wishes to attend a meeting of the Committee may do so but with the consent of the Committee.
	5.3	The presence of such persons, and any point in a Committee meeting they attend at which they leave the meeting, shall be recorded in the minutes. Other than at the specific invitation of the Chair of the Committee, speaking and voting rights shall be confined to Committee members. The Chair shall have the power to ask any such person to withdraw at any point in the meeting.
	5.4	For the avoidance of doubt, only Committee members shall be entitled to vote on resolutions relating to the business of the Committee.
	5.5	The Committee may invite other persons to attend meetings to provide advice and evidence to assist the Committee.
	5.6	Members of the Committee may attend meetings in person or by suitable electronic means, including telephone conference, provided all Committee members are able to fully participate.
	5.7	Where a member is unable to attend a meeting, he or she may appoint a proxy (who must be a member of the committee) to vote on any proposed resolutions on his or her behalf. That proxy shall vote in accordance with the direction of the member appointing him or her. A member wishing to appoint a proxy should notify the Clerk in advance of the meeting.
<b>6. Taking decisions outside of Committee meetings</b>	6.1	A decision of the Committee members may be made in writing, provided that a majority of the Committee members and would have formed a quorum and they signify their agreement to the decision either by signing a copy of it or by such other method as is stipulated by the Clerk at the time of circulation.
<b>7. Conflicts</b>	7.1	Any member who has a direct or indirect conflict of interest or loyalty in a matter to be discussed at a Committee meeting shall declare such conflict to the Chair at the earliest opportunity. In the case of the Chair, he/she shall declare such conflict to the members. In such cases, the member concerned shall not take part in the discussion relating to the matter (unless invited to provide information to the Committee), shall withdraw from the meeting at the point any decision is taken in relation to the same and shall not count towards the quorum for that part of the meeting.

	7.2	In cases where, as a result of a Member declaring a conflict of interest or loyalty the quorum for the meeting is no longer met, the quorum for that part of the meeting shall be reduced by one for each such conflicted Member provided that the quorum is no less than two unconflicted members and includes at least one appointed or co-opted member.
<b>8. Termination of Committee membership</b>	8.1	Other than the ex officio Committee members, a Committee member may resign from office at any time by giving notice in writing to the Clerk.
	8.2	Any person who is a Committee member by virtue of being a Corporation member shall cease to hold office upon ceasing to be a Corporation member for whatever reason.
	8.3	Any person who is an ex officio Committee member shall cease to hold office upon ceasing to hold the office that entitles them to be a Committee member.
	8.4	Except for the ex officio Committee members, if at any time the Corporation is satisfied that the Committee member is unfit or unable to discharge the functions of a Committee member or has been absent from Committee meetings for a period longer than six consecutive months without the permission of the Chair of the Committee, the Corporation may remove the Committee member by notice in writing.
	8.5	Any co-opted Committee member may be removed by resolution of the Committee.
<b>9. Branding and Reputation</b>	9.1	The Committee shall, in relation to its decisions, consider the impact of those decisions on the brand and reputation of the College and shall subject to their legal duties act so as to uphold the same.
<b>10. Adoption and Variation</b>	10.1	These Terms of Reference may be adopted, amended, replaced or deleted by the Corporation.