



FINANCE AND RESOURCES COMMITTEE

Terms of Reference

Purpose:

The College's Financial Handbook outlines the Corporation must maintain robust oversight of the Group's financial affairs and for stewardship of assets and must use resources effectively, efficiently and economically to maximise outcomes for learners.

The Finance and Resources Committee is a Committee of DCG Corporation and maintains scrutiny and oversight of financial, human and physical resource matters as directed by the Corporation and outlined within these terms of reference.

The Corporation cannot delegate overall accountability for the Group's funds and any decisions on such matters are reserved for the Corporation.

Remit:

1. To oversee the overarching Finance, HR and IT strategies, recommend appropriate policies and monitor enactment of strategic ambitions in relation to:
 - Financial matters relating to financial health and solvency
 - Human Resources
 - Physical Resources, including Estates and IT Systems and recommendation of capital bids
2. To deal with any matters specifically referred by the Board.

Reporting:

The Committee is a committee of the DCG Further Education Corporation and as such its actions are open to scrutiny and approval by the full Corporation.

The Corporation remains responsible for the proper conduct of the Group 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 Corporation.

Composition:

The Committee shall consist of a minimum of three members (inclusive of the Chief Executive) appointed by the Corporation. Membership must include at least one person (whether a member of the Corporation or not) with relevant and recent accountancy and financial experience. The Chief Executive is a member of the committee. Members of the Audit Committee may attend as observers, but are not eligible for Committee membership.

Membership may include additional persons with relevant experience who are not Governors who have been recommended by the Search & Governance Committee, and approved by the Corporation, to be Co-opted External Members of the Committee.¹

Frequency of Meetings:

The Committee will meet no less than four times a year.

Quorum:

The quorum shall be three members of the Committee, excluding any external co-optees. In the event of the Chair being unable to attend, the remaining members shall elect a Chair from among those present.

Chair:

The Chair is appointed by the Corporation.

Clerk:

The Committee shall be served by the Clerk to the Corporation.

Other Arrangements:

The Chair shall have the power to invite other individuals to attend any meeting if deemed appropriate to the business. It is expected minimum membership from Group Officers will be the Deputy Chief Executive, Chief Finance Officer, Director of Finance.

1. The Committee shall: -

Finance

- Regularly review the financial scheme of delegation at least every three years.
- Annually review the financial plans for the Group, ensuring the Group remains financially sustainable.
- Advise on the Group's arrangements for securing value for money, its solvency and the safeguarding of its assets;
- Appraise and make recommendations on the annual income and expenditure budget for the forthcoming year, considering the impact on future financial stability.
- Ensure budget forecasts are compiled accurately, based on realistic assumptions, including any in relation to the sustenance of capital assets, cashflow and reflect lessons learned from previous years.
- Challenge learner number estimates on which the budget is based.
- Address any variances between the budget and income and expenditure
- Review annually any discrepancy between financial accounts and financial statements.
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- Review the year end management accounts, particularly in relation to financial strategy and performance.
- Recommend and monitor the financial key performance indicators.
- Review the Group's long- term forecasts of income and expenditure as submitted to the DFE and OFS.

¹ Co-opted External Members have no voting rights

- Review the consolidated monthly management accounts of the Group, including any of its subsidiary trading companies or joint ventures, updated year-end forecasts throughout the year and key balance sheet indicators.
- Consider any relevant taxation issues
- Receive regular Treasury Management Reports and have oversight of the Treasury Management Policy
- Receive regular updates on covenant compliance
- Review annually the Group's policy for holding reserves, any investments, borrowings and the achievement of investment returns for endowment funds.
- Receive regular updates on borrowing and working capital facilities
- Receive regular statements of current deposits and maturity details
- Consider and review areas relating to Group banking arrangements and any appropriate credit agreements/arrangements over the short and long term
- Consider and review the Group's processes and setting of tuition fees and course costs.
- Review the content of the Financial Regulations, undertaking a periodic review at least every three years
- Review the accounting policies of the Group as required, ensuring these adhere to the Treasury's Managing Public Money guidance and the College Financial Handbook.
- Consider and review advice from bodies, as appropriate, in respect of any companies in which the Group has a financial investment or shareholding and request financial reports from these companies as necessary.
- Consider and review any proposed irrecoverable debts or overpayments, written off losses and disposal of obsolete equipment.
- Examine the financial position of the DCSU Trust and its annual accounts
- Consider pensions and alternative arrangements for pension provision.
- Oversight of the Group's procurement policy, ensuring it is reviewed regularly
- Consider performance of sub-contracting arrangements, ensuring they meet the sub-contracting standard, there is an educational rationale and they represent value for money.

Risk

- Consider the financial, physical and human resource risks to the Group, together with the relevant implications of non-financial risks, and monitor performance against the associated risk management plans.
- Liaise where appropriate with Audit Committee.
- Consider reports from DFE, OFS and other statutory bodies in terms of potential implications for Group business and financial, physical and human resource implications of compliance.
- Review the financial elements of the risk management policies in the Group including insurances

People

- Advise the Corporation on the Group's Human Resource Strategy and the context of the strategic plan.
- Have oversight of enactment of the Human Resources strategic ambitions
- Advise on matters affecting the setting of the framework for pay and conditions of service of all staff (with the exception of Senior Post Holders and the Clerk)
- Advise on information on industrial relation issues at both national and local level and make any relevant recommendations to the Corporation.

- Have oversight of any recommendations or material requests made by the Group's Joint Consultative Committee.
- Be appraised of any employment/litigation settlements with a material financial implication.
- Consider whether any special staff severance payment above statutory or contractual entitlement is appropriate and in the interests of the Group and seek the necessary DFE approval for special severance payments over the delegated authorised amount.

Physical Resources

- Advise the Corporation on the Group's physical resource strategies (including Property and Estates (encompassing the three-year maintenance plan) and IT Infrastructure and Systems) and annually review the development plans.
- Have oversight of the enactment of the Estates and Systems strategic ambitions, monitoring the estate and digital transformation.
- Review the Group's capital programme which provides the context for consideration/review of any capital project proposals.
- Consider and review reports/updates on the financial position, progress and risk associated with capital projects.
- Advise on any proposed building projects and to advise the Corporation on their financial implications
- Advise on premises and facilities developments
- Receive and approve reports relating to procurement and efficiencies and facilities.
- Oversee the Group's environmental sustainability strategy and monitor the streamlined energy and carbon reporting (SECR) submission.
- To advise on any significant systems developments

2. The Committee shall undertake an annual review of these terms of reference and recommend any changes needed to the Corporation for approval.

Revision History: -

Reviewed by Finance & Resources Committee on 5 October 2021

Approved by the Corporation on 18 October 2021

Review by Finance & Resources Committee on 5 December 2022

Approved by the Corporation on 12 December 2022

Reviewed by Finance & Resources Committee on 10 October 2023 to include the Treasury's Managing Public Money Guidance and the ESFA's Letter to Colleges dated 29 November 2022

Approved by the Corporation on 23 October 2023

Reviewed by the Finance & Resources Committee on 9 October 2024

Approved by the Corporation on 21 October 2024

Reviewed by the Finance and Resources Committee on 15 October 2025

Approved by the Corporation on 22 October 2025