



Diocese of Norwich
Education and
Academies Trust

DIOCESE OF NORWICH EDUCATION & ACADEMIES TRUST

LOCAL GOVERNING BODY RESOURCES COMMITTEE

TERMS OF REFERENCE

Date Created:	September 2017
Date Last Reviewed:	August 2020
Date Adopted by LGB:	Autumn 2020

Summary of Changes

Page Ref.	Section	Amendment	Date of Change
4	7.1	Removal of following from Key Tasks: Budget: <i>To agree and recommend acceptance of an annual Budget reflecting the priorities of the current Academy Development Plan and present it for acceptance by the LGB in line with the Trust's budget timeline.</i>	August 2020
6	7.5	Addition of 'and consider new risks'	August 2020
7	8.1	Budget Timeline updated	August 2020
8-9	9	<p>Summer-1: meeting removed.</p> <p>The following actions have been moved to Spring-2:</p> <ul style="list-style-type: none"> • <i>Ensure that the provision of ICT equipment is appropriate to the Academy's needs and is being used fully and effectively</i> • <i>Review the Academy Business Continuity Plan</i> <p>The following actions have been moved to Summer-2:</p> <ul style="list-style-type: none"> • <i>Contribute to the formulation of the Academy's Single Change Plan, through the consideration of financial priorities and proposals</i> <p>The following actions have been removed:</p> <ul style="list-style-type: none"> • <i>Agree and recommend acceptance of an annual Budget reflecting the priorities of the current Academy Single Change Plan and present it for acceptance by the LGB in line with the Trust's budget timeline (including DFC income and expenditure</i> • <i>Review Management Accounts (YTD), including reviewing miscellaneous financial expenditure outside of the agreed budget and payments within agreed financial limits</i> • <i>Approve any virement between budget headings and/or likely budget overspends except where this would produce a change to the overall budget result</i> 	August 2020

1 Purpose

To assist the decision making of the Local Governing Body (LGB) by enabling more detailed consideration to be given to the best means of fulfilling the LGB's responsibility to ensure sound management of the Academy's finances, resources and personnel, including proper planning, monitoring and probity as set out in the Scheme of Delegation.

To make appropriate comments and recommendations on such matters to the Local Governing Body on a regular basis.

Major issues will be referred to the full Local Governing Body for ratification.

2 Membership

The Committee shall comprise of at least 3 Governors at least one of whom has specific, relevant skills and experience of financial matters.

The Committee may have in addition such non-voting members as the Local Governing Body shall appoint with the approval of the Trust.

The Local Governing Body or the Trust may remove or replace a member of the Committee at any time.

3 Quorum

The quorum shall be three Governors or 1/3 rounded up, whichever is the greater.

4 Meetings

4.1 Frequency

The Committee shall meet in accordance with the Trust Governance Framework. Any decisions taken must be determined by a majority of votes of committee members present and voting – but no vote can be taken unless a majority of those present are governors.

4.2 Chairing

The Full LGB will appoint a Committee Chair at either the least meeting held in the previous academic year or at its first meeting held in the Autumn Term. The Staff Governor may not hold the position of Chair.

4.3 Clerking

The Local Governing Body should appoint a clerk to the committee to ensure that accurate minutes of the meeting are taken. In the absence of the clerk the committee shall choose a clerk for that meeting from among their number (someone who is not the headteacher).

The Clerk to the committee will upload the agenda and supporting papers to the relevant folder on GovernorHub no less than 7 days prior to the meeting date.

The draft minutes of each meeting will be circulated with the agenda for the next ordinary meeting of the full governing body and will be presented at that meeting by the chair (or in his/her absence another member of the committee).

4.4 *Voting*

All members of the Committee may vote at committee meetings.

4.5 *Declarations of Pecuniary and Personal Interests*

Governors should ensure that any pecuniary or conflicts of interest are declared at each meeting by everyone present.

4.6 *Frequency of review and approval of Terms of Reference*

The Terms of Reference will be reviewed by the Head of Governance on an annual basis. Changes (apart from annual revision of dates) will be approved by the Trust Board. The Terms of Reference will be issued to the LGB annually for them to adopt.

4.7 *Frequency and scope of self-assessment*

The work of the Committee will be reviewed annually in the summer term via Annual LGB Self-Assessment.

5 Delegated Powers

5.1 The Committee shall act in accordance with the responsibilities delegated to it under the Scheme of Delegation and in accordance with the Financial Regulations as set out in the Finance Policy.

5.2 The Committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues, including members of Academy staff or other governors.

6 Key Responsibilities

To oversee the financial performance of the academy and make sure its money is well spent, in line with delegated responsibilities from the Trust Board (see Appendix 1 below).

7 Key Tasks

7.1 *Budget*

- To monitor monthly expenditure in accordance with the Finance Policy.
- Within the limits of the Finance Policy, review Headteacher management decisions regarding virement between budget headings and report to the LGB.
- To approve any virement between budget headings and/or likely budget overspends except where this would produce a change to the overall budget result.
- To enter into contracts up to the limits of delegation (less than 1 year) and within an agreed

budget, as set out in the Finance Policy.

- To review miscellaneous financial expenditure outside of the agreed budget.
- To review payments within agreed financial limits set out in the Finance Policy.
- To contribute to the formulation of the Academy's Single Change Plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the Trust.
- To ensure the Academy is fully compliant with the Finance Policy.
- To recommend to the LGB, charges and remissions for activities at the Academy.
- To review the Year End Management Accounts.
- Review report on Sports Premium Funding expenditure.
- Review report on Pupil Premium Funding expenditure.

7.2 *Premises and Insurance*

- To recommend to the full LGB insurance for Vehicle, Equipment, Sickness and Maternity Cover and any other insurance not included in Risk Protection Arrangements (RPA).
- To develop and monitor the academy premises development plan and make recommendations for further building improvement to the full LGB and the Trust.
- To develop and recommend to the full LGB a properly funded maintenance plan.
- To oversee arrangements for the use of the Academy premises other than by the Academy and to review periodically the policy of the Academy on lettings, taking due account of the Trust's policy on Lettings, and charging and remissions.
- Review Premises Manager checklist.

7.3 *Staff*

- To ensure pay discretions are in accordance with the agreed Pay Policy.
- To review day to day decisions on staff pay and hours to ensure effective operation of the Academy within agreed budget.
- To determine staff complement within agreed budget.

7.4 *Health & Safety*

- To ensure that Health and Safety regulations are followed.
- To ensure that all policies relating to Health and Safety are implemented and followed.
- To conduct site inspections to review any health and safety issues and the security of premises and equipment.
- Receive report from Health and Safety Governor including evidence of their Health and Safety monitoring visit.

7.5 *Risk Management*

- To review the Academy Risk Register on a termly basis and consider new risks.
- To review the Academy Business Continuity Plan on an annual basis.

7.6 *Value for Money*

- Ensure all expenditure above £2,500 is supported by three quotations
- Ensure that VAT invoices are received wherever possible to allow VAT to be reclaimed.

7.7 *ICT*

- To ensure that the provision of ICT equipment is appropriate to the Academy's needs and is being used fully and effectively.

7.8 *Documents which should be reviewed at each committee meeting:*

- Management Accounts Report (uploaded to GovernorHub by Central Finance)
- Debtors' Report (PS Financials)
- Creditors' Report (PS Financials)
- Pupil Premium Report (PS Financials)
- Budget Plan (BPS)
- Academy Risk Register

7.9 *Documents which should be reviewed on an annual basis:*

- Academy Business Continuity Plan
- Year End Management Accounts
- Academy Single Change Plan
- Academy Premises Development Plan
- Health and Safety Policy and Guidelines
- Sports Premium Report

8 Budgeting

8.1 Timeline

Task	Responsible	Deadline (TBC)
Budget workshops	Central Finance, Headteacher & Academy Finance Officer	March 2021
First draft of 3-year balanced budget to be completed and profiled. To include known Capital plans	Headteacher & Academy Finance Officer	20/03/2021
Central Finance team to review budget and provide feedback to academies on changes required	Central Finance	30/04/2021
Academies make required amendments to finalise budget following central Finance team review	Headteacher and Academy Finance Officer	11/05/2021
Email confirmation from each Headteacher to Central Finance team with final budget as attachment confirming 'This is academy finalised Budget for 2021-22). NO FURTHER CHANGES TO BE MADE TO BUDGETS	Headteacher	11/05/2021
Central Finance team to check final submissions and confirm budget can be recommended to Trust Board	Central Finance	22/05/2021
Central Finance team recommend Academy budgets to the Trust's Finance, Audit and Resources Committee. The Trust's Finance, Audit and Resources Committees to recommend to Trust Board	Central Finance	June 2021
Trust Board to approve all Academy budgets	Central Finance	July 2021
Trust to submit budgets to DFE	Central Finance	31/07/2021
Local Governing Body receive the budget for the upcoming academic year	Headteacher and Academy Finance Officer	July/August 2021
Academy budgets uploaded to PSF	Central Finance	30/09/2021

8.2 Budget Monitoring (via Management Accounts)

- Monthly monitoring of management accounts is essential - become familiar with the numbers
- If it looks odd – ask! No question is a dumb question. If you don't understand ask your academy Finance Officer and then your Trust Finance Officer if still unknown.
- Don't get bogged down in the trivia
- Identify areas that have not been budgeted well – plan and note how to correct for next year

8.3 Budget Monitoring - Management Accounts

- Main reporting / control tool - reports the actual results YTD and compares to the budget for that same period.
- Head Teacher, Resources Committee & LGB see how academy is performing financially.
- Only as the actuals are booked against budget YTD can you see whether it is a good budget or not

9 Methodology

Responsibilities in red text may be delegated differently based on the Trust risk rating process or where the Trust has identified areas of concern.

WHEN	ACTION	SOD REF NO
Autumn-2	Review Year End Management Accounts	
Autumn-2	Review Management Accounts (YTD), including reviewing miscellaneous financial expenditure outside of the agreed budget and payments within agreed financial limits	9, 16
Autumn-2	Approve any virement between budget headings and/or likely budget overspends except where this would produce a change to the overall budget result	11
Autumn-2	Approve pay discretions in accordance with the agreed Pay Policy	27
Autumn-2	Develop and update academy premises development plan in line with Trust responsibilities	68
Autumn-2	Ensure the Academy is fully compliant with the Finance Policy	
Autumn-2	Review Academy Risk Register and consider new risks (and send copy to COO)	114
Autumn-2	Receive Headteachers Health and Safety Annual Report to the Local Governing Body	
Autumn-2	Review Charges and Remissions for activities at the Academy	48
Autumn-2	Review staffing within budget constraints	36
Spring-2	Review Management Accounts (YTD), including reviewing miscellaneous financial expenditure outside of the agreed budget and payments within agreed financial limits	9, 16
Spring-2	Approve any virement between budget headings and/or likely budget overspends except where this would produce a change to the overall budget result	11
Spring-2	Receive report Health and Safety Inspection of Premises (HS07)	
Spring-2	Receive report from Health and Safety Governor to include evidence of their Health and Safety Monitoring Visit	
Spring-2	Receive evidence that Premises Manager (site security) Checklist (HS18) has been completed	
Spring-2	Review Academy Risk Register and consider new risks	114
Spring-2	Review staffing within budget constraints	36
Spring-2	Review the Academy Business Continuity Plan	
Spring 2	Ensure that the provision of ICT equipment is appropriate to the Academy's needs and is being used fully and effectively	

WHEN	ACTION	SOD REF NO
Summer-2	Review Management Accounts (YTD), including reviewing miscellaneous financial expenditure outside of the agreed budget and payments within agreed financial limits	9, 16
Summer-2	Approve any virement between budget headings and/or likely budget overspends except where this would produce a change to the overall budget result	11
Summer-2	Develop properly funded maintenance plan	70
Summer-2	Oversee arrangements for the use of the Academy premises other than by the Academy and to review periodically the policy of the Academy on lettings, taking due account of the Trust's policy on Lettings, and charging and remissions.	
Summer-2	Receive monitoring report re Health and Safety Policies and Guidelines	73
Summer-2	Review Academy Risk Register and consider new risks	114
Summer-2	Review Vehicle, Equipment, Sickness and Maternity Cover and any other insurance not included in RPA	67
Summer-2	Review staffing within budget constraints	36
Summer-2	Contribute to the formulation of the Academy's Single Change Plan, through the consideration of financial priorities and proposals	

10 Financial questions to ask

- Focus on the bigger numbers & projections. On target?
- Projects - achieving deadlines?
- Pupil premium – is it being spent and how?
- Evidence of best value for money – quotes
- How does your school compare financially to others of similar size? Why?
- Track some key information / KPI's:
 - Staff as percentage of total expenditure
 - Average teacher cost
 - Pupil to teacher ration
 - Proportion of budget spent on leadership team
 - Lists of contracts and renewal dates
 - Spend per pupil on non
 - payroll items
 - compare to other similar academies

Appendix 1: Extract from Scheme of Delegation showing responsibilities allocated to Resources Committee

Responsibilities in red text may be delegated differently based on the Trust risk rating process or where the Trust has identified areas of concern.

No	Responsibility	Members	Trust Board	CEO	LGB	Headteacher
9	To monitor expenditure against budget on a regular basis				A	R
11	To propose to the Trust Financial Controller likely budget overspends where this would produce a deficit and to seek approval from the Trust				A	R
16	To enter into contracts of less than one year up to the limits of delegation and within an agreed budget				A	R
27	To approve pay discretions in accordance with the agreed Pay Policy				A	R
36	To determine Staff complement within agreed budget				A	R
48	To implement the Trust's Charges and Remissions Policy for activities at the Academy (see also 13)				A	R
67	To review arrangements for Vehicle, Equipment, Sickness and Maternity Cover and any other insurance not included in RPA				A	R
68	To develop and update academy premises development plan				A	R
70	To develop properly funded maintenance plan				A	R
73	To ensure that health and safety regulations are followed				A	R
114	Produce and monitor an academy level risk register taking into account Trust-wide Risk Register				A	R

A Accountable

R Responsible