



ACET FINANCE, PEOPLE & REMUNERATION COMMITTEE TERMS OF REFERENCE	
1. Roles and Purpose	<p>The Finance, People & Remuneration Committee's remit is to ensure sound management of the Trust's finances and resources, including planning, monitoring, probity, value for money and continued solvency of the Trust.</p> <p>The Committee advises the Board regarding the year-end accounts and strategic matters with financial implications. It also reports to the Board any decisions taken in accordance with the Schemes of Delegation and delegated powers, including in respect of the Academies' assets and depreciation. It is the responsibility of this Committee to oversee matters in relation to remuneration including appraisal.</p>
2. Constitution	<p>2.1 The Trust Board established a Finance, People & Remuneration Committee to advise the Board on matters relating to the Trust's finance and resources arrangements.</p> <p>2.2 The Finance, People & Remuneration Committee is responsible to the Board.</p> <p>2.3 The Committee's Terms of Reference are adopted by the Board and may only be changed with the approval of the Board.</p> <p>2.4 The Governance Professional (or appointed deputy) shall be the Clerk to the Committee. However, the Governance Professional can be required to withdraw from that part of any meeting at which their remuneration (or any other matter relating to the Clerk within the remit of the Committee) is to be discussed. In these circumstances, one of the Committee members will act as a temporary Clerk to minute the proceedings of the Committee, or a deputy may attend.</p>
3. Authority	<p>3.1 The Committee will report to the Board on any decisions taken in accordance with the Schemes of Delegation and delegated powers, including an Academy's assets, depreciation and removal of such items from the Asset Register.</p> <p>3.2 The Finance, People & Remuneration Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. It is authorised to request any information it requires from any employee of the Trust and all employees are directed to co-operate with any request made by the Committee.</p> <p>3.3 The Committee is authorised to obtain any outside legal or independent professional advice it considers necessary, in addition to guidance from the Academy Trust Handbook and may require experts to be present and to advise when drafting disclosures to be made in the Trust's Annual Report and Accounts.</p>

<p>4. Duties</p>	<p>The Committee is required to:</p> <p>4.1 Fulfil its responsibilities as set out in these Terms of Reference in line with The Academies Trust Handbook, ACET's Financial Regulations and in compliance with the Funding Agreement with the Secretary of State for Education.</p> <p>4.2 Ensure sound management of the Trust's finances and resources, including proper planning, monitoring, probity and value for money.</p> <p>4.3 Demonstrate to the public that the pay of senior staff is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the Trust.</p> <p>4.4 Advise the Trust Board on the performance, appraisal and remuneration packages of the CEO and Principals to ensure that staff are fairly rewarded in relation to their individual contributions to the Trust's overall performance.</p>
<p>5. Detailed Responsibilities – Finance</p>	<p>5.1 To have the authority to approve the same level of expenditure (revenue and capital) and contracts as the Board, ie, where total expenditure per item exceeds £250,000 by exception, in order to increase the Board's/Committee's ability to approve expenditure in a timely manner. The Board will be informed retrospectively. The Finance, People & Remuneration Committee to also be informed retrospectively of expenditure between £75,000 and £250,000.</p> <p>5.2 Subject to the detailed requirements of The Academies Trust Handbook, Funding Agreement and the Trust's Financial Regulations, the Committee shall consider and advise the Board on the following specific matters:</p> <p>5.2.1 The annual estimates of income and expenditure and financial forecasts for the Trust and its Academies.</p> <p>5.2.2 The annual financial accounts of the Trust, considering advice as required.</p> <p>5.2.3 The Trust's management accounts, cash flow forecasts and reserves.</p> <p>5.2.4 Monitoring of any budget re-forecasts on an ongoing basis.</p> <p>5.2.5 Monitoring of the revenue finances of the Trust and its Academies and advising the Board on progress towards achieving its financial objectives.</p> <p>5.2.6 Efficiency/Value for Money; requiring an annual report to be provided to the Committee in advance of the confirmation of compliance with VFM requirements in the Annual Report & Accounts.</p> <p>5.2.7 Estates matters, ie: receiving reports at each meeting, including details regarding the acquisition of land and buildings, deployment of property etc and considering an Annual Report regarding Estates/Asset Management Strategy.</p> <p>5.2.8 The financial elements of the risk register, including health and safety, buildings, and insurance.</p>

	<p>5.2.9 Monitoring of policies relating to finance, staffing and other human resources issues, buildings, health and safety, capitalisation, depreciation, treasury management, investments, borrowing and publicity & marketing, approving these on behalf of the Board with the following exceptions: Health & Safety Policy, Reserves Policy, Investments Policy and Pay Policy - each of which is required to be approved by the Trust Board.</p> <p>5.2.10 Strategic matters with financial implications concerning sponsorship of new or other Academies (Due Diligence).</p> <p>5.2.11 ACETS's Financial Regulations, to be reviewed at the first meeting of each new academic year, ideally at the same meeting that the updated Academies Trust Handbook is considered.</p> <p>5.2.12 Any relevant legal and contractual documentation, operating within the Articles of Association, the Schemes of Delegation, Funding Agreement and Financial Regulations.</p> <p>5.2.13 The review and monitoring of the level of reserves, the Reserves Policy and approving loans from reserves on behalf of the Board, unless the Board meets prior to the Committee meeting.</p> <p>5.2.14 Reviewing reports regarding procurement activity which required Board approval (ie, exceeding £250,000), incorporating reference to the performance of major outsourced contracts at a strategic level.</p> <p>5.2.15 Monitoring the deployment of non-financial resources, including personnel and property, with a view to advising the Board on the effectiveness of such resources.</p> <p>5.2.16 Overseeing the pay and conditions of service of employees of the Trust.</p>
<p>6. Detailed Responsibilities – Remuneration</p>	<p>The Finance, People & Remuneration Committee will exercise responsibility for and oversight of:</p> <p>6.1 The implementation of the Trust's Appraisal Policy including the appointment of Trustee Review Panels:</p> <p>6.1.1 for the appraisal of Principals: this will consist of a minimum of two but ideally three trustees and which will be supported by the CEO.</p> <p>6.1.2 for the appraisal of the CEO: this will consist of a of minimum of two but ideally three trustees, one of whom be the chair of the trust, with the support of an external advisor (as appropriate).</p> <p>6.2 The appointment of an appropriate external advisor to be consulted when considering the remuneration package of the CEO.</p> <p>6.3 Advising the Trust Board on the remuneration packages of the CEO, Principals and Associate Principals and in doing so shall consider the following component elements:</p> <ul style="list-style-type: none"> • basic salary; • pension provisions; • the main terms and conditions of each individuals' service agreement, with particular reference to the notice provisions; incentive scheme.

	<p>6.4 The review and assessment of performance targets, goals and objectives established before the commencement of the relevant period and determine whether such goals and objectives have been achieved at the end of the relevant period taking into account:</p> <p>6.4.1 A report from the CEO on the performance of the Principals and for the recommendation on principal's pay.</p> <p>6.4.2 A report from the Chair of the Trust Board on the performance of the CEO.</p> <p>6.5 The annual evaluation of the specific remuneration package for the CEO, against pre-established performance goals and objectives and an appropriate peer group.</p> <p>6.6 Advising the Trust Board of any compensation (including augmentation of pension benefits) which may be payable in the event of early termination of the employment of the CEO, Principals or any senior member of staff with the broad aim of: avoiding rewarding poor performance and dealing fairly with cases where early termination is not due to poor performance.</p> <p>6.7 The routine review and approval of any changes to the job description of the CEO, ensuring that this happens whenever the configuration, makeup and membership of the Trust changes.</p> <p>6.8 The pay and conditions of service of all employees of the Trust.</p>
7. Other Matters	<p>7.1 The Committee shall advise the Board of any settlement agreements (including any augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the CEO, Clerk, Principals/Executive Principals of the Academies or any other senior member of staff, with the broad aim of:</p> <p>a) avoiding rewarding poor performance and</p> <p>b) dealing fairly with cases where early termination is not due to poor performance.</p>
8. Number and Appointments	<p>8.1 The Committee will consist of a minimum of three Trustees. Members of the Committee are appointed annually.</p> <p>8.2 Up to three external co-opted members may also be appointed who are not members of the Board. The Board may not co-opt an employee of the Academy Trust if the result would be that the number of committee members who are employees of the Trust (including the CEO) would exceed one third of the Committee.</p> <p>8.3 Other Board members shall also have right of attendance and may fully participate in meetings.</p> <p>8.4 The CEO and CFO will be an ex officio member of the Finance, People & Remuneration Committee.</p>



	<p>8.5 The Chair of the Finance, People & Remuneration Committee will be appointed by the Board and will not usually be a member of the Audit & Risk Committee or the CEO. If the Chair is absent from a meeting, the members shall choose another member, who is also a member of the Board, to act as Chair for that meeting.</p> <p>8.6 The members of the Committee shall hold office from the date of their appointment until their resignation or their omission from membership of the Committee on subsequent consideration by the Board (whichever shall happen first).</p>
9. Quoracy	<p>9.1 The Finance, People & Remuneration Committee will be quorate if at least two members (or at least one third if greater) of those members eligible to vote are present. In addition, at least 50% of those members present are required to be Board members (as opposed to co-optees).</p> <p>9.2 Decisions to be made at meetings of the Committee shall be determined by a majority of votes of eligible members present and voting. Where there is an equal division of votes the Chair shall have a second or casting vote. If a member of the Committee withdraws from the meeting due to a conflict (or potential conflict) of interests, the meeting must still be quorate in order for a vote to be conducted.</p>
10. Administration/ minutes of meetings	<p>10.1 The Chief Finance Officer and other members of the Trust's staff may be invited to attend, but will have no voting rights.</p> <p>10.2 The meeting agenda will be agreed in advance by the Chair of the Finance, People & Remuneration Committee (based on, but not limited to, a pre-agreed annual schedule of activity) and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.</p> <p>10.3 Minutes of meetings will be taken and submitted to the next scheduled meeting of the Board once approved in draft by the Chair of the Committee.</p> <p>10.4 The Finance, People & Remuneration Committee will self-assess its performance against these Terms of Reference at the first meeting of the Academy year and will also review the Terms of Reference, submitting any proposed changes to the Board for approval.</p>
11. Meetings	<p>11.1 The Finance, People & Remuneration Committee will meet at least three times in each academic year. The Chair or any two members may call a meeting.</p>

