

Reserves Policy

Equalities Statement

Over recent years, schools and academies have (in line with other institutions and public bodies) been working towards an improved understanding of the diverse nature of their communities. Much of the work is in response to new legislation that places an increased duty on schools, academies and other settings to tackle radicalisation and to establish a positive ethos of British Values. Legislation requires schools and academies both to eliminate direct or indirect discrimination, victimisation or harassment and to promote equalities for students, staff and others who use their facilities.

In our Trust we work to ensure that there is equality of opportunity for all members of our community who hold a range of protected characteristics as defined by the Equality Act 2010, as well as having regard to other factors which have the potential to cause inequality, such as, socio-economic factors.

Document Management

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Approved by:	Audit and Risk Committee
Responsible for:	Head of Finance

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The directors require a revenue reserve to be created to fund future expenditure related to long-term aims and developments.

All reserves will be held centrally by the Trust and will be expended at the discretion of directors in line with the Trust's Strategic Plan.

It is the policy of the Trust that at no time should the reserves fall below the equivalent of 6% of GAG income. The Trust will take appropriate action to ensure that reserves are always at a prudent level. Directors will review the reserves level on an annual basis.

Budget setting

Budgets will be built based on the needs of the school to deliver its day to day priorities as per the school development plan. The Headteacher alongside a member of the finance team will set the budget for approval by the Board of Directors. Headteachers, with a member of the finance team, will monitor expenditure ensuring expenditure does not exceed budget.

A central budget will be set to cover all other areas of expenditure including central procurement of goods and services across all schools.

Schools in deficit

Where a school has no alternative but to set a deficit budget the directors should take into account specific circumstances leading to the deficit position at the time of budget setting. Any school with an in-year deficit will draw on the Trust's central reserves to cover the deficit. It is the expectation that the deficit school will, over an agreed period of time, repay the amount into the central reserve.

Expenditure from reserves

Expenditure from reserves is subject to the same purchasing authority as all other purchases. To ensure an equitable approach to the expenditure of reserves across the Trust spend will only be authorised when approved in advance by the Board of Directors. In exceptional circumstances, if required to cover emergency statutory responsibilities, with the approval of the Chief Executive Officer reserves can be used without prior approval.

All expenditure against reserves will be reported to the Board of Directors.

Schools joining the Trust

At the point of conversion each school has to set a budget for the period between joining the Trust and the end of the financial year for submission to the ESFA, this budget has to be approved by the Trust Board of Directors. The budget will be set based on school need and monitored by the Headteacher and a member of the finance team. At the end of the financial year any surplus amounts, either historic roll over or surplus from current budget, will be held within the central reserves.

The incoming school should provide relevant information in relation to any reserves which have built up over a period of time for a specific project e.g. building project. This spend must be agreed by the directors and budgeted for from either the School Condition Allocation received from the ESFA or Trust reserves.