

URBIS ACADEMY Trust

CAPITAL AND REVENUE RESERVES POLICY

22 September 2021

Version and Date		Action/Notes
1.0	06/10/21	To ratify new reserves amount Approved by FGB on Author: L Barella

The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE. To this end the following approaches to Capital and Revenue are required:

CAPITAL

Definition

The academy works within the constraints as detailed in the Academies Financial Handbook to maximise the value of its public funding. The Trustees need to be mindful of the MATs growth plan as Multi Academy Trusts with less than 5 schools and less than 3000 pupils are able to bid for a share of the Condition Improvement Fund (CIF). MATs with at least 5 academies and more than 3,000 pupils will receive a School Condition Allocation (SCA) to deploy across their estate. Where funding for particular programmes have time limits for achieving expenditure, any grant left unspent is at risk of clawback.

Procedure

- The Business Manager should propose a capital reserve schedule to the Trustees identifying the need to replace assets and the related sums required. (£180,000)
- The Trustees should agree the value of capital reserves to be created in a year as part of the budget approval process.
- Funds should be maintained in the main bank account.
- Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Trustees as part of the budget process.

REVENUE

Definition

The Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments. Academies are expected to create reserves from their annual General Annual Grant (GAG) funding or other income. The Academies Financial Handbook states that previous Education and Skills Funding Agency (ESFA) GAG limits on carried forward by trusts from year-to-year have now been removed for eligible trusts. ESFA will report to DfE any trusts where it has serious concerns about a long-term substantial surplus with no clear plans for its use.

Procedure

Reserves are placed in the main bank account. The School Business Manager reviews the current account on at least a monthly basis to ensure cashflow is maintained.

This policy will be reviewed by the Risk/Audit Committee on a 3-yearly cycle and must be signed by the Chair of Trustees and Headteacher.

Policy Reviewed:	06/10/2021
Next Review:	Oct 2023

Signature of Chair of Trustees:

Mr W Harding:

Signature of the Headteacher:

Ms S Parson