



# **CAPITAL & REVENUE RESERVES POLICY**

**September 2021**

Review: September 2024

# BEYOND SCHOOLS TRUST

## CAPITAL & REVENUE RESERVES POLICY

### CAPITAL

#### Purpose

Academies are expected to create reserves from their annual GAG funding. During the early years of operation GAG Funding levels create little opportunity to achieve a surplus. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant. In addition, the Trust receives a share of the Academies Capital Maintenance Fund which it uses to maintain and develop the assets of the Trust in accordance with a capital maintenance programme.

The Trustees of Beyond Schools Trust require a capital reserve to be created, including the Trust Academies Capital Maintenance Grant to fund future capital expenditure to utilise the funds devolved on a managed programme in accordance with the terms of the funding grants.

#### Scope

The Trust Chief Financial Officer, in conjunction with the Trust Chief Executive Officer, is responsible for ensuring compliance with Beyond Schools Trust's Policies and Procedures.

#### Procedure

- In consultation with the Trust Estates manager, the Trust Chief Financial Officer should prepare and maintain a capital reserve schedule agreed with the Trust Chief Executive Officer and provide to the Trustees identifying the need to replace assets and the related sums required.
- 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 transferred to the Beyond Schools Trust bank account in order to manage payments received under the capital maintenance programme, school capital Allocation (SCA) fund grant
- 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 or by delegated authority under the Trust scheme of delegation.

### REVENUE

#### Purpose

Beyond Schools Trust are expected to hold contingency reserves from their annual GAG funding or other income.

The Trustees require a revenue reserve to be created at each Academy school to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments. The Beyond Schools Trust shall ensure that sufficient contingency reserve funds are maintained in the Trust to provide a minimum of one-month aggregate net salary. Trustees of the Beyond Schools Trust will continue to review levels of Trust reserves on an annual basis.

### **Scope**

The Trust Chief Financial Officer, in conjunction with the Trust Chief Executive Officer, is responsible for ensuring compliance with Beyond Schools Trust's Policies and Procedures.

### **Procedure**

The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal, site development plans and any other unforeseen contingencies including sufficient funds to ensure salary obligations are met in the event of potential disruption to funding receipts, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

This Policy will be reviewed by Trustees on a 3-yearly cycle and a copy provided to the Chair of Governors and Headteacher at each school who will be responsible for the monitoring at the respective school level.

### **Approval and review**

Approved by: TRUSTEES

Next review: September 2024

Signed: Chair of Trustees

Signed: Chief Executive Officer/Accounting Officer

Copies of this policy are available on the Trust website and on each school's website and available in hard copy upon request.