



SHIRELAND
COLLEGIATE ACADEMY TRUST

Shireland Collegiate Academy Trust

Reserves Policy

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| Committee and Date Approved | Resources Committee – Autumn 2021 |
| Category | Statutory - DfE |
| Next Review Date | Annually unless change in legislation – Autumn 2022 |
| Policy Availability | Trust Website |
| Officer Responsible | Company Secretary |

The Trust, all Academies within the Trust and Shireland Learning Limited must comply with this policy.

Scope

To ensure the Trust and its Academies always has a provision to deal with unexpected emergencies, such as long-term illness or an unplanned event, changes in student populations.

To achieve this, it is imperative the board of the Trust agree a minimum level of resources to be held in reserves by each academy and the Trust central team.

However, it is equally important to ensure funding is spent annually, to achieve the overall aims of the trust and its academies and as such there should also be a maximum level pending any known commitments.

Reserves Levels

The levels of reserves are as follows for the Trust and each of its Academies for the academic year 2021/2022:

| Parameters | Minimum | Maximum |
|---|--|---------------------|
| Established Primary Academies | 2% of total funding | 6% of total Funding |
| Established Secondary Academies | 2% of total funding | 6% of total Funding |
| Newly opened academies | 3% of GAG | |
| Academies in a three year deficit recovery plan | 2% of GAG | |
| Trust Central team | 25% of total funding available via the central charge and income generated | |

For established primary academies minimum Level 2% of total Funding, Maximum level 6% of total funding.

For established secondary academies minimum Level 2% of total Funding, Maximum level 6% of total funding.

For newly opened academies to hold in the first year a minimum of 3% of GAG funding as required by Free School Regulations and thereafter as per established academies.

For Academies in a three-year deficit recovery plan reserve levels will be set as per the requirement of the plan (agreed by the Resources Committee on an annual basis) with the view of meeting a minimum level of 2% of GAG funding.

The recommended level is 5% of total income for all academies.

The Trust Central Team Minimum level to be 25% of total funding.

It is important that this figure is high to allow support for academies and to allow for the continuing growth of the Trust. Please note, there will be no maximum limits whilst the Trust is expanding.

The Resources Committee reserve the right to redistribute any funding over the 25% across the Trust, where there is a clear and defined educational benefit, requirements for development, growth or to support the financial stability of an academy, (such as issues created by lagged student numbers). This will be called “use of reserve” and will be evidenced based on a case by case basis to the committee.

Monitoring

The Resources Committee will monitor compliance and will determine the action required to resolve any breaches.

Where the maximum level is breached the Resources committee will require an explanation to establish the reasons why. For example, funds are being held for future years to cope with decline in learner numbers.

The Resources Committee reserves the right to recoup any value over the maximum level of reserves, where the committee feels resources are not being held for valid educational or growth purposes. This funding will then be used as directed within the academy or across other academies and the central team.

This is to ensure that funds are not held for unnecessary reasons and are spent appropriately to always ensure best value and improve teaching and learning.

Please note all reserves levels as detailed above held must be totally **uncommitted**.