

Capital and Revenue Reserves Policy



ENFIELD
LEARNING TRUST
BE INCLUDED

Version and Date		Action/Notes	Date Written	Date to be Reviewed
2.0	10.10.17	Approved by the Board of Trustees	22.09.17	3 Years – 2020
3.0	09.07.19	Approved by the Board of Trustees	07.07.19 for Sept 19	3 Years - 2022

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, academies are able to bid for a share of the Academies Capital Improvement Fund.

Scope

The Chief Financial Officer, in conjunction with the Chief Operations Officer, are responsible for ensuring compliance with Enfield Learning Trust’s Policies and Procedures.

Capital Condition Allocation Procedure

- The Chief Financial Officer should propose a capital schedule to the Trustees identifying the need to replace and maintain assets and the related sums required. This will include the use of condition surveys, high priority works, health and safety works and capital improvements.
- Spend of the Capital Improvement Fund should only occur as agreed budgeted spend which is approved by the Trustees as part of the budget process

Revenue Reserves Procedure

- Revenue reserves funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation
- Any separate bank account should have instant access in order to ensure any “unknown” major expenditure can be moved to the current account in order to ensure cash flow does not indicate a deficit
- Spend of the Revenue Reserves should only occur as agreed which is approved by the Trustees as part of the budget process

Authorisation

- Both the Revenue Reserves and Capital Improvement Funding must be approved by the Chair of Trustees and the Chair of the Audit and Risk Committee via chairs action. Should one of the named Chairs not be available, a Non-Executive Trustee of the Audit and Risk Committee can take this place.

Purpose

Multi-Academy Trusts are expected to hold contingency reserves from their annual GAG funding or other income.

The Trustee’s require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan’s strategic long-term aims and developments.

Procedure

The policy of the Trust 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.

This Policy will be reviewed by the Board of Trustees on a 3-yearly cycle and must be signed by the Chair of Trustees and Chief Executive Officer.

Signature of Chair of Trustees:	Signature of Chief Executive Officer:
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