

RESERVES POLICY

Approved By:	Governing Body
Date:	25.11.24
Next Review Date:	25.11.26
Person Responsible:	Chief Financial Officer

Westbrook Primary School

RESERVES POLICY

(Revenue & Capital)

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding and/or other income. The Board require a revenue reserve to support future expenditure related to the academies strategic long-term aims and developments.

This is to be used for areas supporting the trust's main activity of delivering education.

Scope

More specifically, the reserves will be used to manage unforeseen expenditure, reductions in income, future changes and uncertainty and also be used to maintain the schools estate and facilities. Reserves will also be used to support budget shortfalls.

The school does not hold Staff Absence Insurance Cover as this is also funded from reserves held.

Reserves are made up of unspent funds from previous years where income has been greater than expenditure.

Reserve amount

The Board agree to a **minimum reserve amount of 20% of income for the previous year.**

As the school has high reserves in excess of this, plans for remaining reserves will be prepared and approval for spend will be gained from the Board in line with normal finance procedures. Spending plans for expenditure regarding excess reserves will be made on an annual basis.

These will be using the attached template in Annex A.

CAPITAL

Purpose

Currently the DfE provides minimal capital funding in the Devolved Formula Capital Grant which has been awarded annually.

Scope

This funding is ringfenced and to be used for capital related spend only.