



Reserves Policy

Version 5.0

<p>Important: This document can only be considered valid when viewed on the Trust website. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.</p> <p>Name and Title of Author:</p>	<p>CEO/CFO</p>
<p>Name of Responsible Committee/Individual:</p>	<p>Trust Board</p>
<p>Implementation Date:</p>	<p>September 2019</p>
<p>Date Policy Agreed:</p>	<p>December 2019 – Version 1.0 May 2020 – Version 2.0 December 2020 – Version 3.0 September 2021 – Version 4 February 2022 – Version 5</p>
<p>Target Audience:</p>	<p>All stakeholders</p>
<p>Related Documents:</p>	<p>Financial Management Policy</p>
<p>Review Date:</p>	<p>September 2022</p>

Contents	Page
POLICY STATEMENT	3
1. PURPOSE AND SCOPE	3
2. ROLES AND RESPONSIBILITIES	3
3. AIM	3
4. RESERVE LEVELS	4
5. PROCEDURE FOR USE OF RESERVES	4
6. UNACCEPTABLE USE OF RESERVES	5
7. ACCEPTABLE USE OF RESERVES	5
8. DESIGNATED SPEND	5
9. MONITORING COMPLIANCE WITH AND EFFECTIVENESS OF THE POLICY	6
10. REVIEW	6
Appendix A – Request to use school based reserves	7
Appendix B – Request to loan Trust reserves	8

POLICY STATEMENT

Brighter Futures Learning Partnership Trust will carry forward a prudent level of reserves designed to meet long-term educational and estate needs and any other unforeseen contingencies. Such reserves will be subject to the constraint that the level of reserves does not exceed the levels permitted by the DfE and ESFA.

1. PURPOSE AND SCOPE

Maintaining an appropriate level of financial reserves is considered essential in protecting the Trust from financial risk generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that each individual establishment's primary objective is preserved. At the same time, establishments need to ensure that they use their funding to benefit the students in their care which implies a need to actively consider the use of reserves to enhance educational provision.

This policy sets out the circumstances under which individual UTC/school and the Central Trust may use reserves for the benefit of the pupils and establishments within the Trust. It also provides guidelines about the expected levels of reserves at UTC/school and Trust level.

2. ROLES AND RESPONSIBILITIES

The **Trust Board** is responsible for approving this policy and ensuring it is applied consistently across the Trust.

The **CEO and CFO** are responsible for ensuring that individual UTC's/schools adhere to this policy and agree an action plan where necessary.

The **Local Governing Bodies and Headteachers** are responsible for the effective deployment of resources to enable the school/UTC to deliver effective education within their setting which falls within their allocated annual funding.

The **Business Managers/Trust Accountants** are responsible for monitoring the level of reserves held by their establishment and advising Headteachers and Local Governing Bodies.

3. AIM

The aim of this Reserves Policy is to:

- identify the level of reserves to be held by individual settings
- detail the process required to request use of reserves
- give examples of use of reserves which the Trust do not deem acceptable
- give examples of when it would be prudent to make use of reserves

4. RESERVE LEVELS

The Board of Trustees require a revenue reserve to be created to fund future expenditure related to the Trust's strategic long-term aims and developments. Schools are expected to create reserves from their General Annual Grant (GAG) funding or other income at a rate of between 3-5% every year.

Trustees will monitor levels of reserves in financial reports provided by the CFO and in the annual financial statement prepared by the Auditor. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Trustees will take into account the following:

- one month salary bill
- the establishment's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the establishment funding and its expiry date
- anticipated funding over the next three years
- the need for the establishment to maintain delivery of the curriculum

Trustees recognise that maintained schools or single academy trusts who join BFLPT may not initially have the level of reserves we would recommend. In these circumstances the school will be expected to build up a sufficient level of reserves within 2 years of joining the Trust.

5. PROCEDURE FOR USE OF RESERVES

Where an establishment has sufficient reserves, they should in the first instance discuss any proposed spend with the CEO, CFO and Chair of the local governing body at one of the planned monthly meetings. To document this process the form at Appendix A should be completed.

There may be circumstances when the establishment does not have sufficient reserves to cover expenditure which may be required for emergency works. In the first instance assistance should be sought from the ESFA for Urgent Capital Support (UCS) by completing the Urgent Capital Support (UCS) Application Form. Guidance can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/761324/301118_Urgent_Capital_Support_UCS_How_to_apply.pdf

UCS is available only to those Trusts who are not eligible for the School Condition Allocation (SCA) and is to address urgent building condition issues that jeopardise either, the health and safety of pupils and/or threatens the closure of the whole, or a significant part of, the school. From September 2021 the Trust will be eligible for the SCA thereby excluding individual establishments from applying for USC. The SCA will be deployed fairly and equitably across the Trust.

Any successful application for UCS is usually agreed by means of a loan. The Trust may therefore agree that a UTC/school may loan required monies from within the Trust reserves and any such loan agreement will be interest free and repaid against a robust repayment plan. Schools wishing to apply for a loan from Trust reserves should complete the form at Appendix B.

6. UNACCEPTABLE USE OF RESERVES

Schools/UTCs should not use reserves to supplement their annual budget for staffing purposes. This is not deemed sustainable over a period of time and in the current financial climate it is imperative that establishments staff accordingly and within their annual budget. There may be some circumstances where use of reserves for staffing is deemed to be necessary and as such a request should be submitted to the CEO and CFO.

7. ACCEPTABLE USE OF RESERVES

Permitted examples of use of reserves are shown below however this list is not exhaustive:

- Capital projects for which reserves have been specifically accumulated
- Staffing where pupil numbers temporarily dip and the school/UTC has planned reserves accordingly
- SEND related provision
- Safeguarding related issues
- Security of estate related projects
- School improvement related spend – in particular where a school has an Ofsted judgement (or possibility of) to improve.
- Staffing where the establishment is a 'capacity giver' and is leading school improvement throughout the Trust. This use of reserves should be offset in by the additional income received from the central Trust and will only be for a defined period.

8. DESIGNATED SPEND

The Trust have identified several areas where revenue reserves will fund projects over the next 3-5years. Although this list is not exhaustive, the projects include:

Barnby Dun Primary	Continued ICT replacement and upgrade
Doncaster UTC	Continued ICT and Specialist Engineering Equipment upgrade and replacement
Dunsville Primary School	Continued ICT upgrade
Hungerhill School	Replacement MUGA carpet Fire doors and associated fire detection works Heating system upgrade Outdoor Canopy and Seating area Science block refurbishment Continued ICT replacement and upgrade
Kirk Sandall Infant	Replacement Boiler Plant Replacement heating distribution system External works to address surface water issues Continued ICT replacement and upgrade
Kirk Sandall Junior	Replacement sealed window units Outdoor classroom area Continued ICT replacement and upgrade
West Road	Toilet refurbishment Continued ICT replacement and upgrade

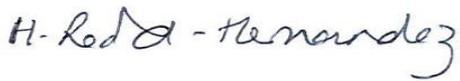
9. MONITORING COMPLIANCE WITH AND EFFECTIVENESS OF THE POLICY

Effectiveness and compliance of this Policy will be monitored on an annual basis.

10. REVIEW

Reserves Policy Agreed: December 2019

Signed CEO of BFLPT – Helen-Redford-Hernandez:



Date: 22 February 2022

Signed – Chair of BFLPT – Marcus Isman-Egal:



Date: 22 February 2022

Reserves Policy to be reviewed: September 2022

Created: September 2019 (Version 1)
Revised: May 2020 (Version 2)
December 2020 (Version 3)
September 2021 (Version 4)
February 2022 (Version 5)

**BRIGHTER FUTURES LEARNING PARTNERSHIP TRUST
RESERVES POLICY**

APPENDIX A

REQUEST TO USE SCHOOL BASED RESERVES – BUSINESS CASE

School Name	
Current Reserve Sum available	
Approximate sum of 1 month salary cost	
Current in year surplus/deficit	
Details of Project/ Reason for Spend	<p>In support of your case please include the following where applicable:</p> <ul style="list-style-type: none"> • Business Case • Approximate costs • Copies of quotations • Copies of inspection/condition reports • Alternative solutions • Implications of project not going ahead • Demonstration of best value • Photographic evidence where applicable
Estimated total cost of project	
Signature: Headteacher	
Signature: Chair of Local Governing Body	
Date:	

**BRIGHTER FUTURES LEARNING PARTNERSHIP TRUST
RESERVES POLICY**

APPENDIX B

REQUEST TO LOAN TRUST RESERVES – BUSINESS CASE

School Name	
Current Reserve Sum available	
Approximate sum of 1 month salary cost	
Current in year surplus/deficit	
Details of Project/ Reason for Spend	<p>In support of your case please include the following where applicable:</p> <ul style="list-style-type: none"> • Business Case • Approximate costs • Copies of quotations • Copies of inspection/condition reports • Alternative solutions • Implications of project not going ahead • Demonstration of best value • Photographic evidence where applicable
Estimated total cost of project	
Contribution to be provided by school	
Amount of loan requested	
Timescale required to repay loan	
Signature: Headteacher	
Signature: Chair of Local Governing Body	
Date:	