



Horizon Academy Trust

Where anything is possible

RESERVES POLICY

Approved and signed by the Board of Trustees' Finance, Resources &
Operations Committee
15 November 2017

Autumn 2017

Date of next review: Autumn 2020

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 academies are able to bid for a share of the Condition Improvement Fund.

The Trustees of Horizon Academy Trust require a capital reserve to be created to fund future capital expenditure and have delegated this responsibility to the local governing bodies of the academy trust.

Scope

The Business Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with Horizon Academy Trust's Policies and Procedures.

Procedure

The Business Manager should propose a capital reserve schedule to the Governors identifying the need to replace assets and the related sums required.

The Governors should agree the value of capital reserves to be created in a year as part of the budget approval process.

Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Governors as part of the budget process.

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income.

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

Scope

The Business Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with Horizon Academy 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 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 Finance, Resources & Operations on a 3-yearly cycle.