



ATLAS Multi Academy Trust

RESERVES POLICY

Trust sub-committee: Resources Committee

Co-ordinator: ATLAS Executive Team

Last Reviewed: Summer 2019

Next Review: Spring 2021

St Albans Girls' School : Beech Hyde Primary School and Nursery : Adeyfield School

Signed by:
Margaret Chapman
Executive Head Teacher

Signed by:
Rachael Kenningham
Chair of ATLAS Board of Directors

1	RATIONALE
1.1	<p>The Trustees and Local Governing Bodies need to consider the level of reserves the Trust, and its sponsored academies, should hold. Levels of reserves which are too high tie up money which should be spent on current pupils. Levels of reserves which are too low may put the future activities of the Trust at risk.</p> <p>The Reserves Policy:</p> <ul style="list-style-type: none"> • assists in strategic planning by considering how new projects or activities will be funded • informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects • informs the budget and risk management process by identifying any uncertainty in future income streams
2	AIMS
2.1	The Trustees of ATLAS require a capital and a revenue reserve to be created to fund future capital expenditure.
3	PROCEDURES
	Types of reserves
3.1	<p><i>Unrestricted Funds</i></p> <p>Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.</p>
3.2	<p><i>Restricted General Funds</i></p> <p>Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor. These would predominantly be government funds but may include other funds from sponsors/other donors.</p>

3.3	<p><i>Restricted Fixed Asset Reserves</i></p> <p>On conversion the Trust inherited land, buildings and equipment from the local authority. This was included as gifted income to the Trust. The Trust also receives funding for the explicit purpose of purchasing items of a capital nature. As this income should not be used to fund fluctuations in revenue funding it is held separately from the restricted general reserves as restricted fixed asset reserves.</p>
Target reserves for the financial year	
3.4	The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan. A reserves figure above nil is considered essential to the ongoing viability of the Trust.
3.5	<p>The financial risks identified determine the amount of reserves the Trust targets to hold. When considering an appropriate level of reserves, the Trustees consider:</p> <ul style="list-style-type: none"> • the risk of unforeseen emergency or other unexpected need for funds • covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sickness absence • a fall in a source of income, such as lettings • planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project • the need to ensure sufficient working capital to cover delays between spending and receipt of grants • fluctuations in income caused by changes in student numbers or fluctuations caused by changes to the funding formula
3.6	Individual academies within the Trust are expected to be financially self-supporting and to produce a balanced budget over a 3-year period, with an amount of carry forward commensurate to the level of financial risk. This could be anything up to around 10% of total revenue income.
3.7	The Trust does not pool reserves or transfer surpluses from one academy to meet deficits in another.
3.8	The Trust also targets to build up centrally-held reserves to meet contingencies including financial emergencies or Trust development matters such as professional fees in relation to growing the MAT. Again, the level of reserve is determined by the level of risk and other factors outlined above, but would generally be up to around 12% of central top slice income.
4	DURING THE FINANCIAL YEAR
4.1	<p>In-year reports to Trustees and Governors:</p> <ul style="list-style-type: none"> • compare the amount of reserves held with the budget • explain any shortfall or excess in reserves against budget • explain any action being taken or planned to bring reserves into line with budget
5	MONITORING
5.1	The policy and procedures will be monitored on an on-going basis by the Trust Business Manager and Resource Committee on a regular basis to ensure that any new or changed legislation is adhered to.



ST ALBANS GIRLS' SCHOOL

Equality Impact Analysis

When reviewing all schools' policies, the following Equality Impact Analysis (EIA) should be undertaken to ensure fairness of the new proposals/policy and to identify any action needed to redress any potential discrimination, positively promoting equal opportunities, improved access and participation for all.

Title of Policy:	Reserves Policy
Date:	Summer 2019
EIA carried out by:	Mr P O'Neill
EIA reviewed by:	Resource Committee

1. Identify the aims and objectives of the policy, what will be the proposed change and how will it be implemented	
<ul style="list-style-type: none"> Policy contains information about: Overall aims and objectives? What is the proposed change? Who is intended to benefit from the proposal and in what way? Outcomes of the policy? How will it be put into practice and who is responsible for this? 	<p>Academies are expected to create reserves from their annual GAG funding. The EFA provide some Devolved Capital Funding to Academies. The EFA provides no other annual capital funding.</p> <p>This policy outlines the strategy and procedure for creating capital and revenue reserves.</p>

2. Assessment of Impact? To include impact of policy, any plans needed to mitigate any negative impact, equality issues to be addressed		
Characteristic	Group	Effect/Impact
<ul style="list-style-type: none"> Age Disability Gender reassignment Marriage/civil partnership Pregnancy/Maternity Race Religion or Belief Sex Sexual orientation 		No impact

3. Consultation	
<ul style="list-style-type: none"> New policy contains information about: Policy audience, expected actions and outcomes. Consultation and communication process Accessibility for all Fair access to the consultation process Lessons learnt from previous consultation, if appropriate 	Expectations, requirements and actions

4. Decision	
<ul style="list-style-type: none"> Should the new proposal/policy be agreed and any impacts identified following consultations? What reasonable adjustments are required? 	No issues or adjustments required

5. Action Planning	
<ul style="list-style-type: none"> Any actions identified to address inequality for different groups? Any actions identified to promote equality and diversity? Where are these actions recorded and who is responsible for them? 	None

6. Monitoring and Review	
<ul style="list-style-type: none"> When will the impact assessment be reviewed? Who is responsible? 	<p>Spring 2021</p> <p>Mr P O'Neill</p>

7. Publication of the results of the impact assessment	
<ul style="list-style-type: none"> Results of EIA are published – where and when? The results are kept as a public record of the EIA – where and when? 	With policy