

# CAPITAL AND REVENUE RESERVES POLICY

Autumn 2024

## 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 Condition Improvement Fund (CIF)

The Board of Genesis Education Trust (“the Trust”) once it has acquired a suitable amount of reserves in the future would look to creating a capital and/or revenue expenditure code. Once sufficient funds were in place the Directors would decide to move no less than 1% and no more than 5% of the reserves into the capital fund.

The Directors require a capital and revenue reserve to be created once the reserves have reached a suitable amount to fund future expenditure related to the Trust’s strategic long-term aims and developments.

## Scope

The Chief Operations Officer, in conjunction with the Chief Executive Officer, is responsible for ensuring compliance with GET Policies and Procedures.

## Procedure

- The Chief Operations Officer should propose capital/revenue reserve schedule to the Directors identifying the need to replace assets or major maintenance/refurbishment and the related sums required.
- The Directors should agree the value of capital/revenue reserves to be created in a year as part of the budget approval process.
- Spend of the capital/revenue reserve fund should only occur as agreed budgeted spend which is approved by the Directors as part of the budget process.
- The policy of the Trust is to carry forward a prudent level of reserves designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of reserves does not exceed the level permitted by the DfE.

Due to budget constraints and the requirement to spend annual allocations on the pupils the contingency the schools can hold is limited. With this in mind the Directors will take a view at the end of each financial year what contingency to hold depending on the surplus at year end.

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

Next Review:	Autumn 20234
Signature of Chair of Directors:	Signature of Chief Executive Officer: