


THE PRIORY PRIMARY ACADEMY TRUST	DATE AGREED	November 2022
POLICY AND PROCEDURE STATEMENT	REVISION DATE	November 2024
 The Priory Primary School		
CAPITAL AND REVENUE RESERVES POLICY		
HEAD TEACHER	MATT WALSH	
CHAIR OF GOVERNORS	PRUBIE SAHOTA	

Edits and Changes

November 2022	Policy first adopted

Approved by: Matt Walsh

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Next review due by: November 2024

The Priory Primary School

CAPITAL AND REVENUE RESERVES POLICY

CAPITAL

Purpose

Academies are expected to create reserves from their annual GAG funding. 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 Capital Maintenance Fund.

The Board of Trustees at The Priory Primary School require a capital reserve to be created and carried forward to invest in future school capital development.

Scope

The Chief Financial Officer (CFO), in conjunction with the Headteacher, is responsible for ensuring compliance with The Priory Primary School's policies and procedures.

Procedure

- The CFO and Headteacher should propose a capital reserve schedule to the Board identifying the need to replace assets and the related sums required.
- The Board should agree the value of capital reserves to be created in a year as part of the budget approval process.
- Funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation.
- Any separate bank account should have instant access in order to ensure any "unknown" major expenditure can be moved to the current account in order to ensure cash flow does not indicate a deficit.
- Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Board as part of the budget process.

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The Board require a revenue reserve to be created to fund future expenditure related to the Priory School's strategic long-term aims and developments.

Scope

The CFO, in conjunction with the Headteacher, is responsible for ensuring compliance with The Priory Primary School's Policies and Procedures.

Procedure

The policy of the Priory Primary School is to carry forward a prudent level 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 Pay and Risk Committee every 2 years.