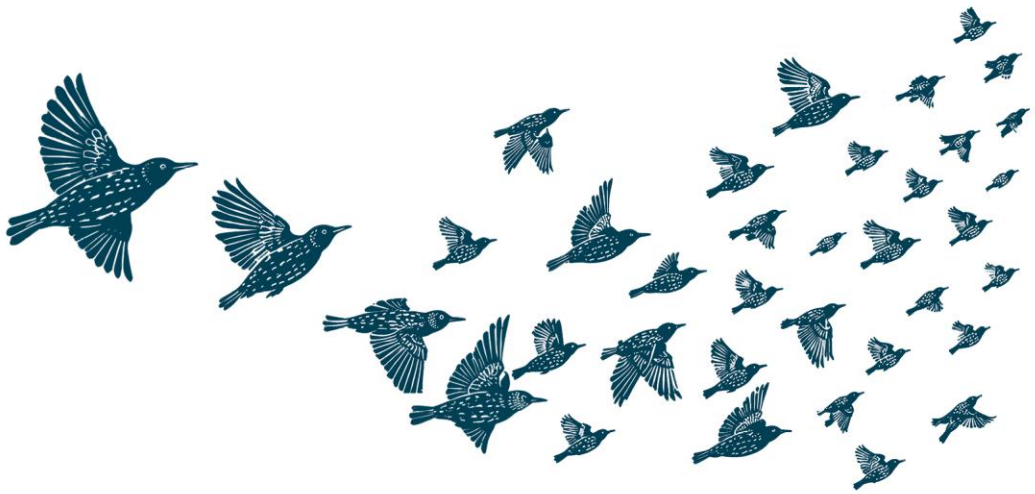
TPAT
Truro and Penwith Academy Trust

Reserves Policy

Review Summary

Approved By:	**Trustees**
Approval Date:	**September 2026**
Next Review Date:	**September 2027**



Purpose

The Academy Trust Handbook requires the board of trustees to set a policy for holding reserves and explain it in its annual report. This policy sets out the principles adopted by the Trust.

Introduction

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and to ensure sufficiency of resource to meet monthly outgoings. Reserves are held for reinvestment in individual schools, for specific capital projects, curriculum investment, mitigating the impact of temporary reductions to funding and enabling Trust Development, Growth and Resilience.

From 31/08/2026 the Trust holds a consolidated revenue reserve, with all future in-year surpluses and deficits accruing to that reserve, as set out in Resource Allocation Policy Appendix B. School balances which are not consolidated under Appendix B remain subject to this policy.

The Policy Statement

The Trustees have agreed that the consolidated revenue reserve should be maintained with a view to achieving a level of at least 5% of the Trust's total income, and that any unconsolidated school balance should be assessed against a target of 11.5% of that school's total income. Reserve levels are measured against budgeted total income for the year.
The deployment of the consolidated revenue reserve will be assessed against Criteria 2 only.

In the absence of exceptional mitigating circumstances Trustees consider requests to use reserves for specific purposes in accordance with the below table and with the expectation that both Criteria 1 and Criteria 2 will be met. There may occasionally be individual circumstances where Trustees judge a temporary dip below the 5% threshold to be in the best interests of the Trust as a whole:

	Purpose A: Specific reserve funded capital projects	**Purpose B:** Curriculum investment	**Purpose C:** Mitigating the **temporary** impact of reductions to funding.	**Purpose D:** Trust Development, Growth and Resilience
Criteria 1: School is forecasting a year-end Reserves position that, after the proposed use of reserves, is at least:	**School Led Proposal:** 11.5% of the school's total income (as defined above). **Trust Led Proposal:** Apply Criteria 2	**School Led Proposal:** 11.5% of the school's total income (as defined above). **Trust Led Proposal**: Apply Criteria 2	To be assessed on a case by case basis with specific focus on the temporary nature of the reduction to funding.	N/A
Criteria 2: The Trust as a whole is forecasting a year-end Reserves position that, after the proposed use of reserves, including other reasonably anticipated reserves deployment requests in the financial year, is at least:	**For All Proposals:** 5% of the Trust's total income (as defined above).			

Trustees review reserve levels through the management accounts and their usage when schools propose their annual budgets for approval. Schools are expected to operate annual budgets within annual resources without using reserves.

Pooling is currently in operation at Trust level where all Reserves are reported in total in order to balance the overall position.

Reserves Plan

Each year, alongside the annual report and accounts, the Board will approve a reserves plan setting out the current level of reserves against this policy, the planned use of any balance above the target, the actions and timescale to restore reserves where they fall below it, and how the plan will be explained in the annual report. This plan is the plan for the use of surplus funds referred to in the Financial Procedures Manual.

Deficits

Any school with a cumulative reserve deficit in excess of 10% of Total Income retains that deficit outside the consolidated reserve, as set out in Resource Allocation Policy Appendix B.

Private Benefactor Donated Balances

Where a school reserve includes a donation received from a private benefactor it will be managed as required by the terms of that donation.