Blessed Holy Family
Catholic Academy Trust

Central Reserves Policy

January 2026

Reviewed and ratified Autumn 2026

1.0 - Introduction

1.1 - The Blessed Holy Family Catholic Academy Trust is committed to ensuring that all pupils in our care are enabled to fulfil their God given potential. In order to achieve this we are mindful of the need to maintain a secure financial position to be creative, visionary and strategic to best support the community that we serve.

1.2 - The purpose of this policy is to ensure that an appropriate level of reserves is maintained in order to ensure financial stability of the schools and the Trust.

1.3 - The reserves policy should both inform and be informed by school and trust priorities as outlined below:

- strategic and operational planning, including considering how new projects or activities will be funded;
- the budget process, including considering whether reserves need to be used during the financial year or built up for future projects;
- the risk management process, including identifying any uncertainty in future income streams.

2.0 - School Reserves

2.1 - Revenue

2.1.1 - Restricted Reserves

2.1.1.1 - As part of the budget setting process each school will identify revenue expenditure requirements for the forthcoming year and set a balanced in-year budget to protect prudent level of reserves to meet known commitments and unforeseen contingencies.

2.1.1.2 - Any surpluses in excess of agreed retained reserves will be transferred to reserve funds.

2.1.1.3 - The DFE expect reserves to be between 5% and 20% of income. The Trust expect all schools to retain at least one month's operating costs as a minimum reserve (8% of total revenue income.)

2.1.2 - Unrestricted Reserves

2.1.2.1 - Schools will be able to generate their own income from external activities such as consultancy, sponsorship etc. Any surpluses generated from these activities will be treated as unrestricted local reserves and ring-fenced for use of the school in the Governors Fund accounts.

2.1.3 - Capital

2.1.3.1 - In line with DFE guidance, Devolved Formula Capital (DFC) allocation for each school will be held locally as part of the school capital fund. Capital expenditure requirements are determined by each academy as part of the annual budget setting process with reference to the academy's three year plan. Capital expenditure approved by the Trust will be funded from the Trust capital fund.

2.2.1 - All other reserves will be managed centrally.

3.0 - Central Contingency Reserves

3.1 - The target level of central reserves will be set on an annual basis as part of the budget setting process and reserves in excess of estimated contingency requirements will be allocated to a pool of central funds to be used across the Trust. The current level of agreed central reserves is a minimum of one month's operating costs for the Trust.

3.2 - Any reserves above the minimum reserve limit will be considered for investment in line with the Investment Policy.

4.0 - Monitoring of Reserves

4.1 - Trustees will monitor reserves levels against target levels – between the DFE recommended levels of 5% to 20% - as part of the budget monitoring process.

4.2 - Any expenditure from reserves will require trustees' approval.

5.0 - Accessing Reserves

5.1 - Blessed Holy Family Catholic Academy Trust is committed to operating a central reserves policy which provides maximum benefit across the Trust. Allocation of central reserves will be based on assessment of bids according to success criteria set out in Appendix 1, for schools, and Appendix 2, for the central trust, of the central reserves policy.

5.2 – Bids will be submitted in the form of Reserve Plans. Plans can only be submitted when schools have over the minimum 8% of reserves. Reserve Plans need to be updated annually and submitted each year to the Trust Board, with updated quotations, for approval before spends can be undertaken.

5.3 – If actual costs increase more than 10% above the quotation provided in the Reserves Plan then costs need to be submitted for approval to the Trust Board.

5.4 – If emergency spending from reserves is required at any school then a request needs to be submitted to the Trust Board, using the Option Appraisal Form, and approved before work can be commissioned. (If work is urgent then it can be approved by either the Chair of the Trust or the Chair of Finance and reported to the Trust Board.)

5.5 – The process of accessing reserves will include the use of any in-year spending that is outside the agreed budget that would otherwise become a part of the reserve.

6.0 - Approval and Review of this Policy

6.1 - This policy was approved by Trustees in January 2026.

6.2 - This policy will be reviewed by the Trustees in January 2028.

Appendix 1 – School success criteria for bids to access central reserves

Introduction

Blessed Holy Family Catholic Academy Trust is committed to operating a central reserves policy which provides maximum benefit across the Trust. Allocation of central reserves will be based on assessment of bids according to the success criteria set out below.

Success Criteria

- The bid is for a contained project and does not commit the school or the trust to a long-term spend beyond the original bid request.
- The bid clearly demonstrates the impact on pupils' experience and/or outcomes.
- The bid is supported by clear evidence of value for money – for example competitive bids.

Appendix 2 – Trust success criteria for bids to access central reserves

Introduction

When projects are proposed by the Central Trust then the proposal should be agreed and supported by the headteachers at each school. In this context the allocation of central reserves will be based on assessment of bids according to the success criteria set out below.

Success Criteria

- The bid is for a contained project and does not commit individual schools or the trust to a long-term spend beyond the original bid request.
- The bid clearly demonstrates the impact on pupils' experience and/or outcomes.
- The bid is supported by clear evidence of value for money – for example competitive bids.

Review schedule

Reviewed and recommended for approval by the Finance and Rick committee - 29th January 2026

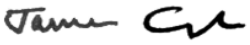
Ratified: Signed: 

Name: James Coyle, Chair of the Trust Board

Date: 5th February 2026

Date of next review Spring 2027

Reviewed and recommended for approval by the Finance and Rick committee – 1st October 2026

Ratified: Signed: 

Name: James Coyle, Chair of the Trust Board

Date: 15th October 2026

Date of next review Autumn 2027