



CAPITAL AND REVENUE RESERVES POLICY 2026

KIBBLESWORTH ACADEMY

CAPITAL

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 Capital Maintenance Fund.

The Board of Kibblesworth Academy may require a capital reserve to be created to fund future capital expenditure.

Scope

The Management Accountant, in conjunction with the Headteacher, is responsible for ensuring compliance with Kibblesworth Academy's Policies and Procedures.

Procedure

- The Management Accountant 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 Academy Development Plan's strategic long-term aims and developments.

The Academy currently holds reserves in the region of £116K, this being in excess of 10% of the annual running costs of the school.

Scope

The Management Accountant, in conjunction with the Headteacher, is responsible for ensuring compliance with Kibblesworth Academy's Policies and Procedures. Procedure The policy of the Academy 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 Premises and Audit Committee on an annual basis