



Central Funds and Reserves Policy

Under the Academy Trust Handbook Endeavour MAT is responsible for the financial sustainability of all schools within the Trust as well as its central head office operations. In order to fund activities, the Handbook sets out a number of ways Trusts can make use of available funding, these are:

- Collection of a portion of GAG (General Annual Grant) as an annual revenue contribution
- Pooling of funding

The Trustees of Endeavour MAT approach the issue of Trust funding with the following principles in mind:

- The Trust will not seek annual contributions from Schools over and above the level needed to prudently fund planned central activities.
- Schools will be encouraged and supported to develop their own reserves.
- Schools will be expected to hold a portion of their reserves available to the Trust for Trust-wide initiatives, developments and investments.
- The Trust will retain the option to pool such other, ad hoc, elements of funding where there is a wider case to be made and it is of wider fairness/ advantage to the common good across the Trust (for example the pooling and redistribution of Mainstream Schools Additional Grant during 2022/23 in support of energy costs and the pooling of Teacher Pay Award Grant in 2023/24).
- The Trust will establish a central reserve from which it will facilitate soft loans to schools within the Trust to enable (funded over an agreed number of years where School specific reserves do not allow more immediate contribution/ payment):
 - An equitable contribution to Trust wide developments and initiatives
 - emergency repairs and works
 - unavoidable, unplanned in year deficits that cannot be mitigated by year-end.

Annual Revenue Contribution to the Endeavour MAT Common Fund

For the financial year 2023/24 the contribution to central running costs was 6% (5% for primary) of core GAG and GAG like funds (excluding all ring-fenced ESFA grants and allocations specific to schools such as Pupil Premium, but including Local Authority basic need expansion funding).

Each year the Trustees will review this policy and confirm the percentage contribution for the following year in order to inform the budget setting process. For 2024/25 Trustees have confirmed that the contribution will remain at 6% in respect of secondary schools and 5% in respect of primary schools.

This contribution covers the Central Team costs for the whole of the Trust and includes (but is not limited to):

- Salaries of Central Team staff (other than where specifically brokered between schools and processed as part of the Central Team administratively) and necessary expenses incurred in discharging duties.
- Internal and external audit fees.

- Accountancy, governance, compliance & risk management oversight and support (including management accounting).
- Preparation & submission of ESFA financial returns.
- Banking charges (excluding ParentPay), annual and triennial actuarial reports and valuation fees.
- IRIS Financials license and support costs (excluding scaled fees for additional budget holder licenses where schools request these).
- ICFP and budget setting software costs.
- HR Management, advice and the online HR Management System and e-recruitment system.
- HR, recruitment and payroll administration.
- ICT strategic and operational management.
- Premises & Estates strategic and operational management and use of compliance monitoring, risk management and ticketing systems.
- Clerking and governance support.
- Performance data governance and co-ordination and Data Protection Officer duties.
- School Improvement (Educational), (Financial, Governance & Operational) from the Chief Operating Officer.

Additional contributions may be sought for specific initiatives from time to time if it is not appropriate for this to be funded from the central budget.

Reserves and Pooling Policy

Schools are encouraged to develop their own reserves, but equally discouraged from accumulating reserves at the expense of funding provision of teaching and learning in year.

Each school is tasked by the Trust with proposing a budget for the coming year and a Medium-Term Financial Plan (MTFP) which includes:

- An amount of contingency budget equal to 1% of total expenditure.
- A contribution to school reserves of at least 1% but not more than 3%.

If the school feels it cannot meet these targets or wishes to deviate from the above it is expected to discuss this with the Chief Operating Officer at the earliest opportunity.

In order to give schools a benchmark for a suitable level of reserves the Trust has agreed the following:

- Each school will target a standing level of freely spendable reserves (defined as GAG and unrestricted funds) equivalent to at least £508 per pupil.
- Each school may, with the approval of the Trust, set aside additional reserves for designated purposes.
- Above the level of £572 per pupil the Trust will classify undesignated freely spendable reserves as part of the Endeavour Common Fund (this will be calculated as at 31 August).
- Each School will consider up to 5% of its freely spendable reserves as available to the Trust as a contribution to mutually beneficial Trust-wide projects and initiatives that will occur from time to time for the benefit of all schools in the Trust.

Appeals

The Academy Trust Handbook emphasises the right of appeal against decisions on funding and by establishing an equitable and supportive policy, consulted upon and written with the collective

interests of the Trust in mind. Trustees hope that such appeals will be rare, but should a School feel minded to appeal the process is as follows:

- Within 10 school days of notification of the annual review of this policy a school wishing to appeal must do so in writing to the Chief Executive.
- The Chief Executive will have 10 school days from receipt of the appeal to respond and amend or confirm the original decision in consultation with Trustees.

Review and Approval	Date
Approval by Trustees:	March 2024
For next review/ update:	March 2025