Centrally Pooled Funding & Reserves Policy 2026/27

Section 3 & 4	Shared Services Agreements & Central Services Costs & Recovery	Additional detail added on the breakdown of Central costs by function and corresponding charge per pupil. Tables & charts added showing the difference between 26/27 and 25/26 Central costs & recharges.
Section 8	Appeal	Extract on academy right to appeal from Academies Handbook added
Appendix A	Central Service Functions	Previous year's information on the process for moving to a shared service model was removed as this is now implemented. Summary of services provided by each area added.
Approving Body	Resources Committee	
Date of Approval	1/7/26	

Policy Statement

Initio Learning Trust adopts a financial model whereby all schools managed by the Trust contribute a proportion of their funding towards services delivered by the Trust.

Shared services agreements for key support services cover all costs associated with the service under the accountability of the relevant Head of Service.

1 Scope

This Policy and Procedure applies to all Schools that have the CEO of Initio Learning Trust as their accountable officer.

2 Income that is subject to central recharges

Each March Academies receive a funding statement that is calculated independently by the Department for Education. All central charges will be recovered from the annual GAG funding allocated to each Academy (this includes the 16-19 statement issued separately).

3 Shared service agreements

The Trust has a number of core functions that it delivers for all academies split across the following departments:

- Finance
- People
- Operations (Estates and IT)
- Education Leadership & support

Costs for these services are recovered on a per pupil basis. These services will be provided under a 'Shared service agreement' that will outline specifications and costs. Academies are not able to procure these services outside the agreements however they are able to agree a bespoke agreement beyond a minimum standard agreed by the accounting officer.

4 Central Services Costs & Recovery

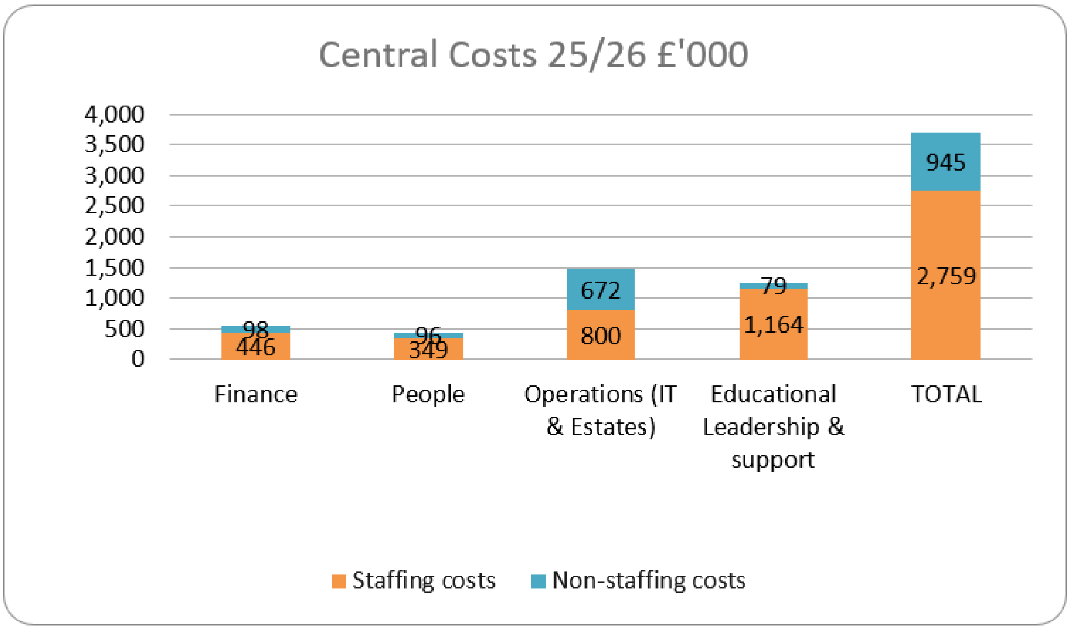
In 25/26 central service costs were recovered at a rate of £500 per pupil, this charge was calculated as follows:

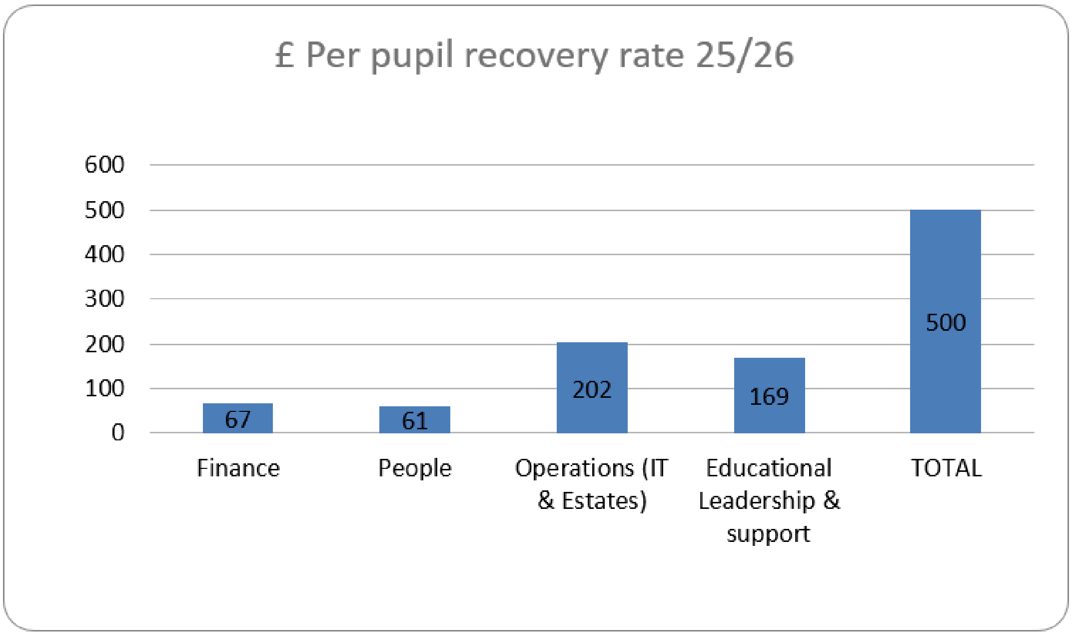
	25/26				
25/26 £'000	**Finance**	**People**	**Operations (IT & Estates)**	**Educational Leadership & support**	**TOTAL**
income (bank interest etc.)	-60	0	0	-12	-72
Non-staffing costs	98	96	672	79	**945**
Staffing costs	446	349	800	1,164	**2,759**
Total to recover	**484**	**445**	**1,472**	**1,231**	**3,632**

Pupil number	**7,271**

25/26	Finance	People	Operations (IT & Estates)	Educational Leadership & support	**TOTAL**

£ Per pupil recovery rate	67	61	202	169	**500**





In 26/27 Central service costs have been reduced, following a restructure, in order to reduce the costs passed on to schools.

In 26/27 central service costs will be recovered at £400 per pupil, this charge is calculated as follows:

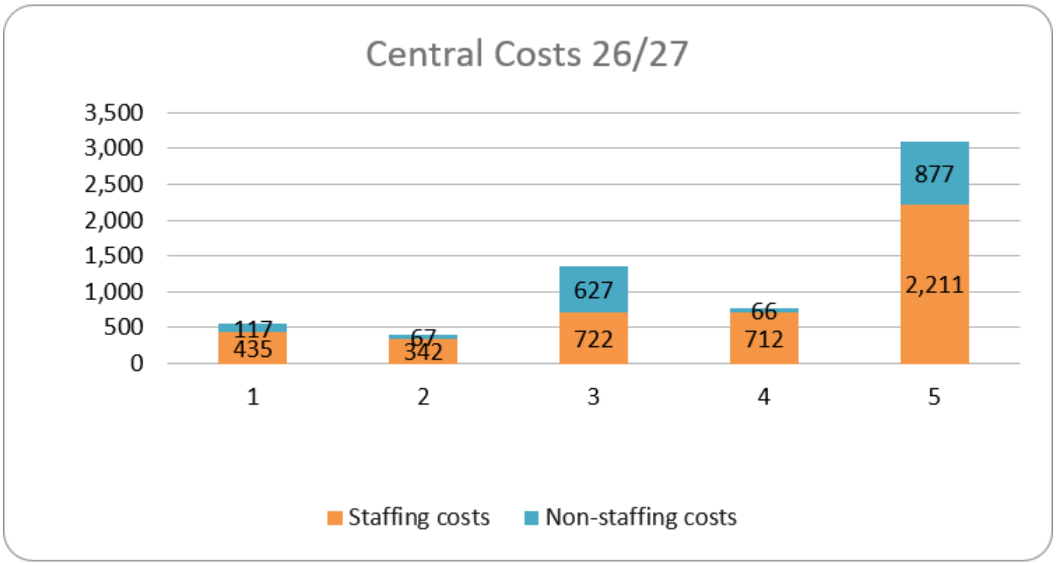
26/27 £'000	Finance	People	Operations (IT & Estates)	Educational Leadership & support	TOTAL
income (bank interest etc.)	-61	0	0	-74	-135

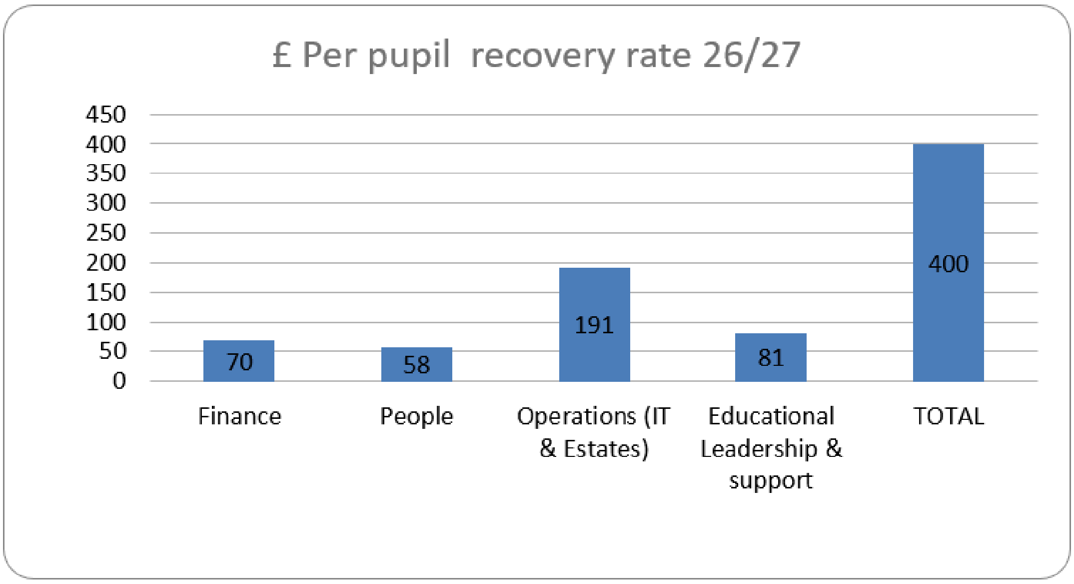
Non-staffing costs	117	67	627	66	877
Staffing costs	435	342	722	712	2,211
Total to recover	**491**	**409**	**1,349**	**704**	**2,953**

Less amount funded by Trust reserves in 26/27	132	132

Pupil number	**7,060**

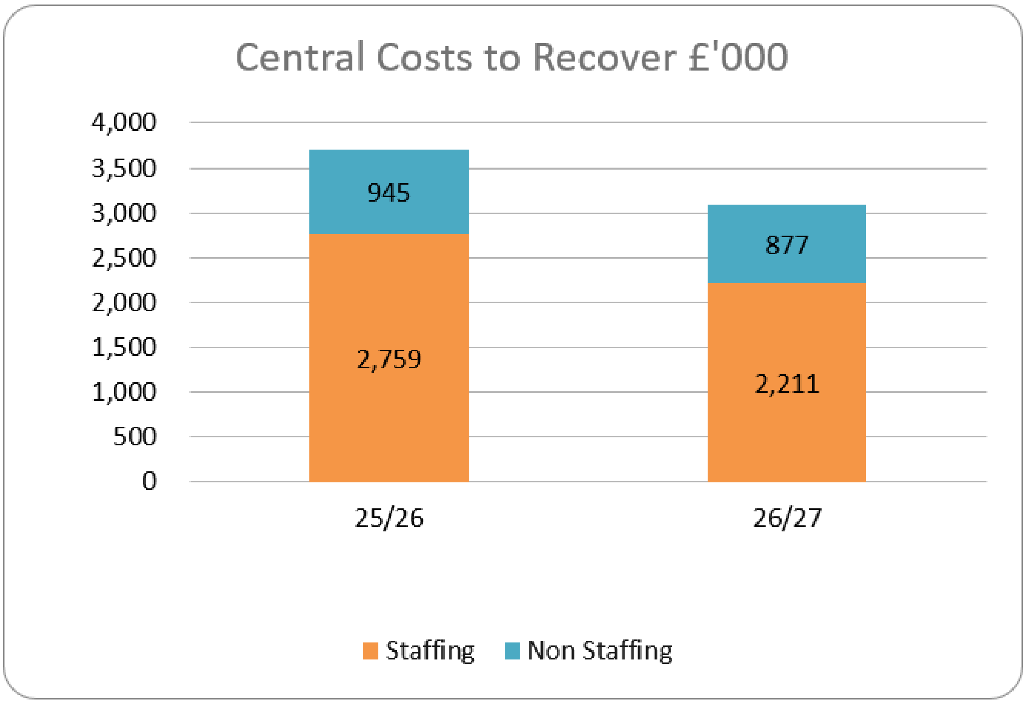
26/27 £'000	Finance	People	Operations (IT & Estates)	Educational Leadership & support	**TOTAL**
£ Per pupil recovery rate	70	58	191	81	400





The Central cost comparison across both years is illustrated below

Central Costs £'000			
Year	25/26	26/27	Reduction
Non Staffing	945	877	-68
Staffing	2,759	2,211	-548
Total	**3,704**	**3,088**	**-616**
Recovery Rate per pupil	£500	£400	-£100



5 Capital and IT reinvestment

The Trust will pool SCA and DCF and allocate projects based on priority and need. It will use the 'Good Estates Management' principles as set out by the DFE to define these priorities.

6 Academy budgets and reserves

Each academy will have an individual budget to cover the following:

Budget	Allocation	Accountable	Description
Academy budgets	As per funding letter plus all specific school based grants	Head	● All school-based staff ● Curriculum costs ● Utility costs ● Pupil premium ● Other targeted grant spend ● School based software licences ● FSM and catering ● Minibus and driver costs ● Reinvestment in local IT and site ● Replacement IT due to loss or damage ● Reactive maintenance ● Local recruitment ● CCTV ● Photocopiers ● School based leases ● Local governance clerking

Each academy is required to set a balanced budget and to build reserves to between 2% and 5% of Income. An academy can apply to the Accounting Officer for permission to set an in year budget deficit in exceptional circumstances e.g. To support lagged funding during a period of pupil number growth.

Each academy manages its own reserves, but these can be pooled to the centre if 'uncommitted' reserves exceed 5% of GAG (set at budget).

The determination of 'uncommitted' reserves will take the schools total reserve figure and deduct:

- Any grant that has a legal commitment to be spent for a specific purpose
- Any project that has been approved by the board to be funded from school reserves in the future

Any pooled reserves will be held as contingency, with the Executive team recommending to the board how these funds should be allocated and used.

7 Monitoring

The resources committee are given delegated powers to monitor spend of the pooled reserves on behalf of the Board.

This policy will be reviewed annually.

9 Appeal

The Academy Trust handbook stipulates that there must be an appeal's process.

5.30. If a trust decides to pool GAG, it ***must*** *consider the funding needs and allocations of each constituent academy. The trust* ***must*** *have an appeals mechanism and an appeal can be escalated to DfE, if not resolved. DfE's decision will be final and can result in the pooling provisions being disapplied. A trust* ***must not*** *pool [private finance initiative (PFI) funding](#).*

Any Academy is entitled to appeal the contribution levied and this power is delegated to the Audit & Risk Committee.

An Academy should put any representation in writing to the Chair of the Audit & Risk Committee no later than 10 days before their meeting.

The CEO will have the right to see any representation and make a counter representation to the Audit & Risk Committee.

Appendix A - Central Services Functions

The service leads for each area are as follows:

- Finance & Operations - CFOO
- People – Director of People and Culture
- Education Leadership & support – CEO & Director of Education

The staff roles and functions provided to schools by each area as follows:

	Leadership & Educational Support	Finance	People	Operations
Staff Roles in the Central Team	CEO, Director of Education, Clerk to Governance, EA Support, School Inclusion Lead, Data Manager, Safeguarding Officer	CFOO (0.6), Finance Business Partners, Finance Manager, Finance Assistants	Director of People & Culture, People Business Partners, Payroll & HR Officers	CFOO (0.4), Head of IT IT technicians, Head of Estates Data Protection Officer
Services Provided To Schools by Each Function	● Strategic leadership of Trust ● Accounting Officer Function ● Clerking Support to Trust Board ● Marketing ● School Internal & External Communications, ● School Improvement Leadership ● Line Management of School Headteachers ● Leadership of SEN & Inclusion for schools, ● Safeguarding Support to Schools	● Named Lead Finance Officer with DFE ● Management of Trust & School Budgets, ● Statutory Finance Reporting to DFE ● Management of Staff Payroll & Pensions ● Invoice Payment & Ordering ● Management of Lettings & Other Income, ● VAT returns & reporting to HMRC ● Finance reports for School Leadership & Trust Board/ Governors ● Annual Audit & Provision of Statutory Accounts	● Strategic People & Culture Lead for Trust & Schools, ● HR advice & support to schools, ● Payroll & Contracts ● Recruitment support, ● Case Management including Staff Absence, ● Liaison with Unions, ● HR Policies for Trust/Schools ● HR Legal support	● Strategic Leadership of IT & Premises for all schools, ● Provision of IT support to all schools & management of external MSP contract ● Health & Safety compliance, ● Management of Capital Funds & project management of capital improvements for schools, ● Management of Risk including Cyber Security for Schools

Central Licences & External Contracts Provided to Schools	● Whole Trust training subscription ● Legal advice (contracts) ● Membership of professional bodies (CST, Queen Street)	● External & Internal Audit ● Budget Software subscription (IMP) ● Accounting software subscription (Xero) ● purchase ordering subscription (iComplete) ● Investment banking fees	● Legal advice (HR) ● Recruitment software subscription	● IT Managed Service external contract ● Broadband & data backup & hosting ● Google workspace & Microsoft licencing ● IT service desk subscription ● Filtering & Monitoring subscription ● Health & Safety monitoring & compliance software

Responsibilities covered by Schools for each area are:
Finance
- Acting as budget holder to approve spend
- Raising PO
- Receipting PO
- Invoice approval
- Administration of trips and parent pay activities
- Letting invoices

People
- Recruitment-adverts, onboarding, safeguarding checks
- Contract changes/ variations
- Leavers process
- Staff welfare support, OH referrals, first aid including mental health
- Monitor absence, RTW interviews
- Performance management
- Monthly payroll checking,

Operations
- Local site management & premises teams

Further details on services provided to school are detailed in the Shared Services agreement for each area.