



GAG Pooling Policy

Approved by:	Finance Committee and	Date: 29/06/2022
	Board of Directors	19/07/2022
Last reviewed:	N/A	
Next review due by:	31/07/2025	

This "Pooling Policy" sets out how the Trust administers its pooling arrangement and outlines how the funds are used to provide equality across the schools.

Under the provisions of the Academies Trust Handbook 2021 (ATH 2021) published June 2021 and effective from 1 September 2021:

5.30 A Trust with multiple academies can amalgamate General Annual Grant (GAG) funding, for their academies to form one Central Fund. This Central Fund can then be used to meet the normal running costs at any of the Trust's constituent academies and the Central Function. In accordance with its funding agreement a trust must not pool private finance initiative (PFI) funding.

Whilst this policy references the ATH 2021, the policy will continue to apply to future versions of the ATH if there are no changes to the ATH on this matter. Where there are changes, the policy will be updated to reflect such changes.

As part of the transfer, any school or Trust joining The Rainbow MAT will implement the Trust policies regarding reserves and investments. Where the school or joining Trust have specific requests pertaining to their reserves, this would be discussed and agreed prior to the conversion. If an informal arrangement is reached for specific spending allocations this must be agreed by the Board of Trustees.

On 31 August 2022, The Rainbow Multi Academy Trust will pool brought forward reserves for all of the existing academies that are included within the pooling arrangement, pooling all reserves, except for the following

- PFI income
- Sport & PE grant funding
- LA High Needs Funding
- Any donations or income streams that have been specifically restricted to that constituent academy
- Any income that is ringfenced as part of any legal or transfer documentation or any other restricted funds which have been allocated to the school for a specific purpose, for example a specific bequest or donation.

All other fund reserves will be held centrally and pooled, including

- General Annual Grant (GAG) allocation (per the annual GAG statements)
- Rates reimbursement
- Teachers Pay Grant (TPG)
- Teachers' Pension Scheme (TPS)
- Universal Infant Free School Meals
- Free School Meals supplementary
- Bank interest income
- Utilities income
- Devolved Formula Capital (DFC) funding
- All other unrestricted funds.

Prior to approval, any expenditure from brought forward reserves will be formally agreed by the Resources Committee. When the Trust is operating at or above the required reserves level, the Trust will operate a bidding system for reserves expenditure with a scoring mechanism, which will take into consideration the school and Trust development plan, Ofsted position and in-year management of the budget.

If there is a need to incur expenditure from brought forward reserves that is above the management spend limit then the Finance and Resources Committee will be required to authorise prior to the approved expenditure.

Unapproved overspending will be reported to the Resources Committee via the monthly management reports. Continued overspending without authorisation may lead to financial delegation amounts being lowered for that particular school.

If a school leaves the Trust any restricted reserve balances as stated above will be returned to the school. All other reserves will remain with the Trust. Internal records will be kept year on year to ensure the restricted figure can be reached and will also be detailed in the end of year accounts. It will take into account any in year overspends and reserves allocation for specific projects which have related to that school during the period that the school was part of the Trust.

Any surplus balances at the year-end detailed above will remain allocated to the school in line with the policy. All other funds will be added to the central, pooled reserves pot.

Appeals Policy

The Academies Trust Handbook (ATH) 2021 stipulates that there must be an appeal process in place for constituent academies:

"The trust must consider the funding needs and allocations of each constituent academy and must have an appeals mechanism. If a constituent academy's principal feels the academy has been unfairly treated, they should appeal to the trust. If the grievance is not resolved, they can appeal to the Secretary of State, via ESFA. Where ESFA receives an appeal, it will review the process that the trust has followed, including whether the trust has considered the funding needs of the constituent academy, and whether the trust's internal appeals process has been applied. ESFA will provide the constituent academy and the trust with the opportunity to provide any evidence they feel is relevant to the case. ESFA's decision will be final and can result in the pooling provisions being dis-applied." (Section 5.31)

The process for a constituent academy to appeal is as follows:

- Constituent school to write to the Chief Executive Officer (CEO) outlining why the academy has been unfairly treated as part of this arrangement and what action they expect to be taken to rectify it.
- The Executive will review each academy appeal on an individual academy and Trust-wide basis and reply to the constituent academy within 10 working days of receipt of the appeal.
- If the school is dissatisfied with the decision from the CEO, they are entitled to appeal against this to the Board of Trustees. A group of three Trustees, minimum, from the Board will investigate the original appeal from the school and come to a decision and advise the school accordingly.

- If upon this decision from the Board of Trustees, the school is still dissatisfied with the outcome, they are entitled to appeal further to the Education and Skills Funding Authority. This is stage three and the final stage in the appeals process