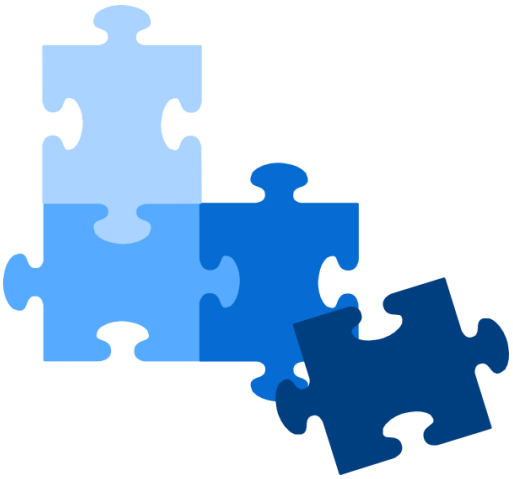


JIGSAW LEARNING TRUST

RESERVES POLICY

September 2026

JIGSAW LEARNING TRUST

RESERVES POLICY

Academy Trust Reserve Policy

1. Purpose of the Reserve Policy

This Reserve Policy outlines the rationale, appropriate level, and management of financial reserves held by the Trust. It ensures transparency, financial prudence, and alignment with our strategic objectives, risk profile, and the best interests of our pupils and staff.

2. Current Reserve Position

The Trust's reserve position is reviewed regularly and reported to the Trust Board through the monthly management accounts. The level of reserves is assessed against the Trust's financial forecasts, cashflow requirements, known commitments, risks and strategic priorities.

The Trust will ensure that sufficient unrestricted and uncommitted reserves are maintained to provide financial resilience and meet its operational commitments.

The Trust may also hold surplus cash in appropriate interest-bearing accounts or fixed-term deposits, subject to the Trust's investment policy and appropriate approval processes. During 2026/27, the Trust has placed £500,000 of surplus funds through the Insignis Cash Management platform, This forms part of the Trust's prudent cash management strategy, allowing surplus funds to be diversified across participating financial institutions while maintaining appropriate levels of liquidity and security.

3. Rationale for Holding Reserves

The Trust holds reserves to:

- Ensure cashflow stability
  Maintain sufficient liquidity to meet ongoing financial obligations, particularly payroll and core operational costs, while managing fluctuations in funding or delays in income receipt.

- Provide for contingency and risk management
  Mitigate unforeseen events such as emergency repairs, legal or compliance costs, unexpected in-year budgetary pressures, or pupil number fluctuations.

- Fund planned strategic initiatives
  Support IT infrastructure upgrades, curriculum development, staff training, SEND provision, and other improvement programmes aligned with the Trust's strategic objectives.

- Maintain and improve estate and facilities
  Contribute to capital investment projects, such as refurbishments, new builds, or as match-funding for CIF bids, in line with the Trust's estates strategy.

- Support financial resilience and future planning
  Provide flexibility to respond to inflationary pressures, pay awards, pension contributions, and future uncertainties in funding or government policy.

4. Target Level of Reserves

The Trust aims to maintain a minimum general reserve level equivalent to two months of core operating costs, with an emphasis on payroll, our largest single cost. The Trust Board will review the appropriateness of this target annually, taking account of the Trust's financial position, staffing levels, cashflow requirements, financial forecasts and identified risks.

Holding reserves above this level may be justified by:

- Known upcoming capital or ICT investment needs
- Anticipated expansion, structural change or growth
- Contributions to strategic priorities requiring upfront investment
- Increased risk exposure or operational volatility
- Planned estate maintenance and capital works
- The need to maintain sufficient cashflow whilst funds are held in appropriate interest-bearing or fixed-term accounts

The Trust's actual reserve position and any amounts earmarked or committed for specific purposes will be reported to the Trust Board through the quarterly management accounts.

5. Use of Reserves

Reserves will be used in line with the Trust's:

- Development plan
- Risk register
- Estates and capital strategy
- Financial forecast

Where reserves are earmarked for specific purposes (e.g. CIF match funding, IT upgrades or planned capital works), this will be clearly documented and reviewed regularly by the Trust Board.

Where surplus funds are placed in fixed-term deposits or other interest-bearing accounts, this does not alter their underlying classification as Trust funds or their intended use. The Trust will ensure that sufficient funds remain accessible to meet its operational and financial commitments.

6. Governance and Review

The Trust Board has responsibility for reviewing and approving this policy annually or in response to significant changes in financial circumstances or risk exposure.

The Finance Director will:

- Report reserve levels to the Board quarterly
- Propose adjustments to reserve targets as needed
- Advise on any material use or drawdown of reserves
- Monitor the Trust's cash position and investments to ensure sufficient liquidity is maintained

Any use of reserves outside the agreed strategy must be approved by the Board.

7. Communication and Transparency

This policy will be published as part of the Trust's annual financial statements and be made available to stakeholders, including the ESFA, to demonstrate prudent financial management and effective governance.

Review of Policy

This policy will be reviewed every year or sooner if warranted by internal or external events or changes.