



# GAG Pooling Policy (collective resource allocation)

## Introduction

The Trustees of Ivy Education Trust recognise that the General Annual Grant (GAG) and reserve pooling policy must address the management of financial risk across the Trust and ensure that existing pupils are not disadvantaged through the retention of excessive reserves.

The aim of pooling resources is to facilitate the delivery of high-quality teaching and other activities.

The Academy Trust Handbook permits the pooling of GAG. [Academy Trust Handbook 2026 \(effective 1st October 2026\)](#)

## Policy

This policy applies to all schools within Ivy Education Trust.

All income received by the Trust will be subject to GAG pooling unless that income is either pupil specific or accountability for the income is directly linked to the school.

Pooled income streams:

- GAG funding
- Other central government revenue grants, for example mainstream schools additional grant, teachers' pay grant.
- UIFSM
- Devolved Formula Capital (DFC)
- School Condition Allocation (SCA)
- All other DfE income not previously noted
- All capital income where this is not disallowed due to the terms of the grant
- All operational income

The following income streams are excluded from pooling:

- Sports and PE grant funding
- LA high needs funding
- Grants where the conditions of the grant specify the school where the money should be spent.

## Resource allocation

School level budgets will be developed in consultation with all stakeholders:

- Headteachers
- Directors of Education
- Director of People
- Head of Finance
- Head of IT and Digital
- Head of Operations
- Central Finance Team

Draft budgets will go through escalating levels of review and scrutiny by the Chief Finance and Operating Officer, Deputy CEO and CEO. Budget reviews will be conducted with due regard for DfE allocation information and for alignment with Trust and school priorities and collective arrangements.

The budget process will include the allocation for the delivery of Trust shared services (HR, finance, IT and Digital, Operations) and school improvement. These budgets will include funds that are Trust wide and those that are school specific.

The intent of the Trust is to set an overall balanced budget across all schools and centrally delivered services. This means that the allocated portion of AWPUs will be variable from one school to another and not set as a single fixed percentage.

The contextual proportion of GAG will be delegated at 100%.

All other school income will be directly delegated to schools.

## **Appeals**

The Academy Trust Handbook stipulates that there must be an appeals process.

The process for appeals is as follows:

- The school headteacher will write to the CEO outlining why the allocation is not reasonable and requested actions.
- The executive team will review each school appeal on a school and Trust basis, and reply to the school within 20 working days of the appeal letter.
- If the headteacher is not happy with the response they can appeal to the FAR Committee of Trustees, who will consider the appeal at their next meeting and make a recommendation to the Board.
- The Board will respond within 10 working days of the FAR Committee meeting.
- If the headteacher is not happy with the outcome of the appeal they can appeal to the Regions Group and Regions Group decision is final.

## **Collective Reserves policy**

The Trust has adopted a collective reserves position, with the exception of any funds held in a restricted fund. There is no impact to schools from this policy; it reflects both the existing legal position, as all reserves are legally those of the Trust, and existing practice.

## **Reserves**

The Trust aims to maintain an unrestricted reserves position of between 3 – 5% of annual income. The purpose of the reserve is to ensure the continuation of an ambitious, high-quality, inclusive education for every student in every school. Reserves will therefore be deployed to achieve this aim.

**Unrestricted reserves.** Unrestricted reserves may come from income funds, grants or donations that can be spent at the discretion of the Executive Team to further the Trust's stated objectives. Unrestricted funds can be allocated to a particular project, although this is for administrative purposes only. It does not legally restrict the use of the fund. Unrestricted funds are the result of operational efficiencies and trading activities undertaken by the Trust.

**Restricted reserves.** Restricted reserves may be restricted income funds, grants or donations, that are spent at the discretion of the executive in furtherance of the stated conditions of the fund.

### **Capital funds**

Capital funds are defined as restricted fixed asset reserves. The reserves are held specifically for capital purposes within wider Trust objectives.

**This policy was adopted by the Trustees of Ivy Education Trust on 20 February 2024 and will be reviewed in line with the Trust's policy review schedule.**

#### **AMENDMENT RECORD**

| Date       | Prepared by | Approved by   | Nature of Change                                                       | Next Review                                 |
|------------|-------------|---------------|------------------------------------------------------------------------|---------------------------------------------|
| 30.1.2024  | DoF         | FAR Committee | New policy – Adopted 20 February 2024                                  | As required and no later than January 2025  |
| 04.02.2025 | DoF         | FAR Committee | Updated for 2025-2026 budget.                                          | As required and no later than January 2026. |
| 22.09.2026 | CFOO        | FAR Committee | Budget setting process.<br>Distribution mechanism<br>Reserves position | As required and no later than October 2027  |