



GAG Pooling Policy

(Community Resourcing Model)

LINKS: Capital Funding Policy, Central Funding Policy

DATE: Sept 2026

POSTHOLDER RESPONSIBLE: CFO

TRUSTEES/GOVERNORS COMMITTEE: FO&A Committee

AUDIENCE: All Trust Staff

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DATE OF NEXT REVIEW: This Policy will be reviewed every 2 years

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Summary of Changes

Date	Para	Revision
Sept 2026	All	Initial Issue

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1. Introduction

At Quantock Education Trust, we believe in working together to support every child and every school to thrive. Our approach to GAG pooling reflects our values of Uniqueness, Community, Aspiration, Respect and Equity (UCARE), ensuring that resources are shared in a way that strengthens the whole Trust community. By taking a collective approach, we can respond to need with compassion, direct support where it will make the greatest difference, and secure the best possible outcomes for all pupils.

Under the provisions of the Academies Trust Handbook 2025 (ATH 2025), Trusts are eligible to amalgamate a proportion of their General Annual Grant (GAG) funding, for their Schools 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 Schools and the Central Function. How the Central Fund is administered and monitored is outlined within the "Central Fund Policy".

This "Pooling Policy" sets out how the Trust administers its pooling arrangement.

Whilst this policy references the ATH 2025, 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.

2. Definitions

Revenue income:	Includes all sources of income that are reported within the Unrestricted and Restricted Funds, including pooled income, and any amounts of capital funding used for revenue purposes. This does specifically exclude the Pension Fund income.
Pooled income:	Relates to those elements of income that the Trust will collate and manage centrally.
Non-pooled income:	Relates to the total amount of revenue income less the pooled income, that will be held and managed at the individual schools.
In-year revenue deficit:	The in-year deficit generated on the Unrestricted and Restricted Funds, including pooled funds and any amounts of capital funding used for revenue purposes, but excluding Pension Funds.
In-year revenue surplus:	The in-year surplus generated on the Unrestricted and Restricted Funds, including pooled funds and any amounts of capital funding used for revenue purposes, but excluding Pension Funds.
Deficit revenue balance:	The overall deficit position on the Unrestricted and Restricted Funds, including the pooled funds and any amounts of capital funding used for revenue purposes, but excluding the Pension Fund.
Surplus revenue balance:	The overall surplus position on the Unrestricted and Restricted Funds, including the pooled funds and any amounts of capital funding used for revenue purposes, but excluding the Pension Fund.

3. Pooling under the ATH 2025

The ATH 2025 permits a Multi School Trust (MAT) to pool a proportion of GAG:

*“A trust with multiple Schools can amalgamate GAG for its Schools to form one central fund. This practice can enhance a trust’s ability to allocate resources in line with improvement priorities and running costs across the trust’s constituent Schools”
Section 5.29*

Schools specifically excluded from any pooling arrangement:

- Those that are funded on estimated pupil numbers specifically excluded from any pooling arrangement

Items specifically excluded from any pooling arrangement:

- Private Finance Initiative (PFI) funding
- Sports and PE funding

4. Calculation of income to be pooled for the Trust

This policy applies to all of the Schools within the Trust, with the exception of those that are funded on estimated pupil numbers.

4.1 Income

For all Schools included within the pooling arrangement, only the following components of income will be pooled:

- General Annual Grant (GAG) allocation (per the annual GAG statements)
- Post-16 funding
- Teacher and Support Pay Grants
- Teachers’ Pension Scheme (TPS) Grants
- Universal Infant Free School Meals
- Free School Meals supplementary
- Parent Family Support Advisors
- Bank interest income
- Utilities income
- Devolved Formula Capital (DFC) funding

For all Schools included within the pooling arrangement, in addition to the exclusions in section 3 per the ATH, the following components of income are excluded from the pooling arrangement:

- High Needs (ESFA)
- High Needs (LA)
- 16 – 19 Bursary
- Pupil Premium
- All other ESFA income not noted above
- All other LA income not noted above

How the DFC is administered and monitored is outlined within the “Capital Funding Policy”.

The Trust will consider the funding needs and allocations of each constituent School, with an appeals process outlined within this policy document (see section 8).

The Trust receives GAG allocation statements for each constituent School, along with other funding allocations and income remittance documentation that confirm funding figures. These sources of information will be used to determine the amount of income to be pooled.

4.2 Expenditure

Expenditure streams within the GAG pooling model are those which are not pupil specific, or where accountability for the expense is not directly linked to the School. These areas of spend can be categorised accordingly and summarised as:

School Improvement & Leadership

- Executive Leadership
- School Improvement Services
- Trust Wide Education Strategy & Leadership

Finance & HR

- Central finance and HR team salaries
- Accounting, Audit, ESFA returns
- HR Advisory & Payroll Services
- Recruitment Support
- Finance and HR systems (eg software)

Operations, Estates & IT

- Central IT & Estates team salaries
- Estates Management
- Compliance & Statutory Checks
- Condition surveys & Capital Planning
- ICT Infrastructure, licensing and software

Governance & Operations

- Clerk to trustees
- Governor training
- Legal & Professional Advice

4.3 Budgeting Process

During the budgeting process each year, the Trust will prepare a budget **in discussion** with each constituent School and the Central function, which will be scrutinised by the Board. The budgets will be reviewed alongside the various funding allocation documentation to ensure that the budgets set, are in line with the pooling arrangement.

If the Trust approves for additional funding to be provided to a constituent School or the central function, over and above its allocation, the allocation and administration of this funding will be covered by the “Central Fund Policy”.

The Trust reserves the right to amend the pooling policy on an annual basis, prior to the start of each financial year. Where appropriate, pooling may be adjusted to reflect the costs incurred in the previous year.

5. Schools joining the Trust and treatment of reserves

On conversion or transfer into the Trust, all funds (surplus or deficit) relating to income streams that form part of the pooling arrangement (as outlined in section 4), will be pooled.

Any incoming School would bring with it additional expenditure. The Trust has a policy which stipulates a de minimus level of funds must be kept in reserve. There will be occasion for balances held at the constituent school to remain – where they are ring-fenced for particular projects or restricted funds, for example 'Boarding'. Any balance agreed between the Trust and the incoming School to remain with the constituent must therefore be limited to one that doesn't reduce the reserve balance below the policy level.

On transfer into the Trust with a deficit balance, this will form part of the pooled reserves at the point of transfer.

Where balances transferred into the Trust are not governed by specific legal or transfer documentation, those balances will be tracked and reported on a constituent School basis until they have been fully utilised.

6. Schools leaving the Trust and treatment of reserves

6.1. If the Trust's Central Fund is in a surplus revenue position

If a constituent School leaving the Trust has a deficit revenue balance, the constituent School will leave the Trust with that deficit revenue balance.

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6.2. If the Trust's Central Fund is in a deficit revenue position

If a constituent School leaving the Trust has a deficit revenue balance, the Trust will calculate the constituent School's share of the Central Fund's deficit revenue balance, which will be added to the deficit revenue balance that the constituent School will leave the Trust with. The calculation of the constituent School's share will be based on pupil numbers. For example, if the constituent School leaving the Trust has 500 pupils and the Trust has 5,000 pupils (including the constituent School leaving the Trust), the constituent School's share of the Central Fund deficit revenue position will equate to 10%.

If a constituent School leaving the Trust has a surplus revenue balance, the Trust will calculate the constituent School's share of the Central Fund's deficit revenue balance, which will be deducted from the surplus revenue balance that the constituent School will leave the Trust with. The calculation of the constituent School's share will be based on pupil numbers. For example, if the constituent School leaving the Trust has 500 pupils and the Trust has 5,000 pupils (including the constituent School leaving the Trust), the constituent School's share of the Central Fund deficit revenue position will equate to 10%.

7. Treatment of in-year surplus/deficits generated

Following the pooling of GAG income and the allocation of funding to each constituent School and the Central function, where a constituent School or Central function generates an in-year revenue surplus or deficit, the following treatments apply:

7.1. In-year revenue surplus

Where a constituent School or Central function generates an in-year surplus, the whole surplus will be transferred into the Central Fund.

7.2. In-year revenue deficit

Where a constituent School or Central Function generates an in-year deficit, the School or Central Function will need to confirm to the Trust how the revenue deficit arose. There will be a different treatment for those revenue deficits that were pre-approved and those which were not pre-approved by the Trust in advance.

7.2.1. Approved revenue deficit

Where the Trust has formally approved for a constituent School or Central function to incur additional expenditure following the approval of the budget, the revenue deficit will be dealt with as outlined when it was approved.

7.2.2. Unapproved revenue deficit

Where the Trust had not formally approved for a constituent School or central function to incur additional expenditure following the approval of the budget, the in-year revenue deficit will be repaid back to the Central Fund. The repayment arrangement will be discussed with the constituent School, with decisions on repayment made by the Board.

8. Appeals

The Academy Trust Handbook (ATH) 2025 stipulates that there must be an appeal process in place for constituent Schools:

“The trust must consider the funding needs and allocations of each constituent School, and must have an appeals mechanism and an appeal can be escalated to the DFE, if not resolved. DFE’s decision will be final and can result in the pooling provisions being disapplied.” Section 5.30

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

- Headteacher to write to the Chief Executive Officer (CEO) outlining why the School has been unfairly treated as part of this arrangement and what action they expect to be taken to rectify it.
- The Central Operational Team will review each School appeal on an individual School and Trust-wide basis and reply to the constituent School within 10 working days of receipt of the appeal.

- Should the Headteacher feel that their School has still been unfairly treated, they have the right to appeal to the Finance, Operations & Audit Committee/Board of Trustees. The Finance, Operations & Audit Committee/Board of Trustees will discuss this at the next meeting and write back to the School within 10 working days of that meeting.
- Should the Headteacher still feel that their school has been unfairly treated by the Finance, Operations & Audit Committee/Board of Trustees, they have the right to appeal to the Secretary of State via the ESFA, submitted as a formal complaint/escalation with evidence. The decision by the Secretary of State will be final.