INVESTMENT POLICY

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REVISIONS

Version	Page/ Item No.	Description of Change	Approved On
1.0		First approval	

Contents

1. Aims

1.1. This policy aims to ensure that:

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement, and the Academy Trust Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

2. Legislation and guidance

2.1. The Academy Trust Handbook states that academy trusts are required to have an investment policy to:

- Manage and track their financial exposure
- Ensure value for money

2.2. This policy is based on the Academy Trust Handbook and guidance from The Charity Commission.

2.3. This policy also complies with our funding agreement and articles of association.

3. Roles and responsibilities

3.1. Academy Trustees

Academy trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest as set out in our articles of association

- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support

3.1.1. Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel, contentious or repercussive.

Novel transactions are those of which the academy trust has no experience or are outside the range of normal business activity for the trust.

Contentious transactions are those which might give rise to criticism of the trust by Parliament, the public, and the media.

Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

3.2. Finance and HR committee

3.2.1. Academy trustees delegate responsibility for the trust's investments to the finance and HR Committee.

3.2.2. The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to trustees on investments

3.3. The Chief Finance Officer

3.3.1. The Chief Finance Officer (CFO) is responsible for producing cash flow forecasts and for making decisions on investments. The CFO also provides information to the Finance and HR Committee and academy trustees, as appropriate.

4. Investment principles

4.1. We only invest funds in low risk and easily accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

4.2. Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation.

4.3. Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

5. Procedures

5.1. The following people are authorised signatories:-

- CEO
- Trustees

5.2. Prior to any funds being invested, the Finance and HR Committee will be advised and sign off the proposal.

5.3. The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

5.4. The CFO will review interest rates and compare them with other investment opportunities annually

5.5. Cash flow and current account balances will be monitored regularly by the CFO to ensure immediate financial commitments can be met and that the current account has adequate balance to meet forthcoming commitments.

5.6. Investments will normally be of a fixed term that does not exceed one year unless there is a clear rationale for longer term investment that would benefit the Trust.

5.7. A maximum of £85,000 will be placed with one financial institution. This limit exists as it is the investment amount protected by the Financial Services Compensation Scheme.

5.8. Funds will be considered for reinvestment dependent on the financial situation of the Trust on maturity.