
Policy Name:	Investment Policy
Policy Type:	Statutory
To Be Reviewed:	Annually
Approved by:	Finance and Audit Committee
Date:	28th March 2024
Review Date:	28th March 2025

Introduction

The purpose of the investment policy is to set out the processes by which the Trust can invest funds surplus to day-to-day operational requirements and to ensure that investment risk is properly and prudently managed, and investments comply with the Academy Trust Handbook.

Responsibility

The Trustees delegate the day-to-day responsibility of managing and implementing the investment policy to the Trusts Executive Headteacher and Trusts Executive Director responsible for Finance to ensure investments are managed in accordance with this policy. The investments will be monitored regularly in relation to performance, and reviewed monthly with the Chair of the Finance and Audit Committee.

The Executive Headteacher and Executive Director responsible for Finance will identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives. Any investment decisions must be supported by a cash flow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

Assessing liquidity needs

The Trust should ensure that a sufficient balance must be held across accounts with instant access so that the Trust's financial commitments can be met without the risk of the current account going overdrawn.

It should also allow enough flexibility to deal with reasonable, one-off events should they occur. The Trust's cash flow forecasts will dictate how much is available for investment and for how long. The cash flow forecasts should be reviewed monthly as part of the management accounts cycle and on maturity of fixed term deposits.

Investment Products

The Trust can invest surplus funds in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:

Overnight (instant access / easy access)

Notice accounts (typically from 30-days to 100+ days)

Fixed term deposits (typically from 1-month to 12-months)

Investment maturity dates should not exceed 12-months in term.

The Trust can use an investment company platform, but can only make cash deposits with institutions, which have a UK banking licence and regulated by the FCA. The Trust will reduce its counterparty risk by having deposits with at least two institutions, for the first £250,000, and then increasing in number for every additional £250,000 deposited. These limits do not include the NatWest Reserve Account which 'flushes' from the current account, this will be held at £1 million as a float. Deposit facilities in use by the Trust must be restricted to 'dual control' for the opening of a deposit, placing funds and withdrawing funds.

Monitoring & Reporting

The Finance Director will report investments held and the performance of investments to the Trusts Finance and Audit Committee for review when requested to do so.

Review

Trustees should review the Investment policy to ensure it is still fit for purpose *annually*.