



INVESTMENT POLICY

Responsibility:	Chief Finance and Operations Officer
Approved by Board:	09 July 2020 Reviewed 08 July 2021 Reviewed 08 September 2022 Reviewed 22 September 2023

Purpose and scope

The purpose of this Investment Policy is to set out the processes by which the Trustees will meet their duties under the Trust's Articles of Association and current Academy Trust Handbook (formerly Academies Financial Handbook) issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

Objectives

The investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- To only invest funds surplus to operational need based on all financial commitments being met without any of the Trust's bank accounts becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

Investment strategy

Each academy will make its own investment decisions in accordance with:

- The Trust Scheme of Delegation
- The requirements of this Investment Policy
- The Trust Finance Policy and Procurement and Tendering Policy
- The terms of reference of the Academy's Local Governing Body and its subcommittees

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. The Trust's policy is to invest funds in risk-free and immediately accessible deposit accounts with the Trust's banking provider. If sufficient reserves are available an Academy may seek to invest in other low-risk accounts subject to approval by the Trust's Finance and Operations Committee. Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy and the Trust.

Decisions on how much to invest and how long to invest for will be based on operational requirements, demonstrated by cash flow forecasts produced by the Academy's Head of Finance. Each Academy should aim to have a balance in its current account to be at least sufficient to meet two months' worth of expenditure and a sufficient balance must be held in the current account so that the Academy's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

The Head of Finance will periodically (at least annually) review interest rates and compare with other investment opportunities to determine whether it is appropriate to invest funds with other providers for specified periods up to 12 months

Monitoring and review

The Head of Finance will monitor the Academy's cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Local Governing Body (or relevant subcommittee) at appropriate intervals, depending on the terms of the investments. For example, if investments are held one year then an annual report is appropriate. A report on investments held and investment performance will also form part of the annual Financial Review/Scrutiny Meetings for each Academy.