

# Investment Policy

<b>Date of issue:</b>	Approved October 2017
<b>Originator</b>	CFO
<b>Responsible sub-committee:</b>	Finance & Resources Risk & Governance
<b>Linked Policies</b>	Standing Financial Instructions Risk Appetite Statement
<b>Responsible Individual:</b>	Board collectively
<b>Review Date:</b>	June 2026
<b>Target audience:</b>	All stakeholders in the Trust
<b>Dissemination via:</b>	SharePoint, Trust Website

Version	Section	Amendments	Date	Author
1.0		New document	23 <sup>rd</sup> March 2017	Helen Morris
1.1		To allow pooled investments in deposit accounts and other investments	18 October 2017	Julia Delaney

1.2		<p><b>Updated to include details of GAG and payroll transactions being through the Trust main account.</b></p> <p><b>Extra detail on the controls in place for investment and deposit accounts. These controls were in place before this policy update.</b></p> <p><b>Reference to the Trust risk appetite statement.</b></p>	7 June 2021	Julia Delaney
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## **SECTION 1: INVESTMENT POLICY**

### **1.1 Introduction**

1.1.1 This policy sets out the investment policy of the Trust.

1.1.2 Under Charity SORP we must disclose our Investment Policy to stakeholders in our annual statutory accounts.

### **1.2 Purpose**

1.2.1 This policy sets out the use of any funds surplus to the day-to-day activities of the Trust. Due to the nature of funding stream, the Trust may at times hold cash balances surplus to its short-term needs.

1.2.2 To identify surplus funds and achieve a return on the investment.

1.2.3 To define the risk / rewards profile of the Trust considering EFA guidance.

### **1.3 Application**

1.3.1 This policy will be in force from the date approved by the Board.

### **1.4 Roles and responsibilities**

1.4.1 It is the responsibility of the Board to reassess every year the Investment Policy in order that it remains prudent and relevant.

### **1.5 Policy**

1.5.1 The Board may invest to further their Trust's charitable aims but **must** ensure that investment risk is properly managed.

1.5.2 When considering making an investment the board of trustees **must**:

- act within their powers to invest as set out in their articles of association
- have an investment policy to manage, control, track financial exposure, and ensure value for money
- exercise care and skill in all investment decisions, taking professional advice as appropriate
- ensure that exposure to investments is tightly controlled so security of funds takes precedence over revenue maximisation
- ensure that all investment decisions are in the best interests of the Trust
- review the Trust's investments and Investment Policy regularly
- The board should follow the Charity Commission's guidance: CC14
- ESFA's prior approval needed for novel, contentious and/or repercussive transactions.

## **1.6 Relationship between the Trust and its schools**

The Trust will have one preferred banking provider for all schools and new schools joining the Trust will transition to the new bank over an agreed time period.

Short term cash requirements will be held in low-risk bank accounts to generate a rate of interest (either in an interest-bearing current account or via a central cash overnight sweep account).

Cash that can be held for longer periods may be invested in a range on longer term bank deposit accounts. This may be with another bank from the bank main accounts. Any new banks will be approved by F&R committee. Currently the Trust holds 35-day deposit accounts with RBS (the main bank) and a 6 and 12 month notice account with Close Brothers. Investments and Disinvestments from deposit accounts can only be made to/from the Trust main bank account. All transactions must be dual authorised.

The current position is that there will be at least one current account and one sweep account for each school. This will be reviewed on an annual basis to determine whether this is the best structure for the Trust. Any change will be approved by the Board, and this may in the future include moving to one central bank account for all transactions.

All Academy bank accounts are currently held separately, and any surplus is, where possible sent to the schools sweep account automatically for overnight deposit.

All GAG funds are received into the Trust main account and all payroll costs are paid from the Trust main account. A working capital balance is then transferred to each school account monthly.

## **1.7 Investments**

The F&R committee may recommend to Board that investments are made in other assets – such as low risk funds. This must consider the Board risk appetite statement. Appointment of investment managers or other banking providers must be authorised by the F&R Committee and controls established for the transfer of funds. Investments and Disinvestments from investments can only be made to/from the Trust main bank account. All transactions must be dual authorised.

## **1.8 Interest**

Interest on the investments and deposits will be allocated by Trust to further specific strategic aims. To be determined by C-Suite on an annual basis.

## **1.9 Monitoring**

Cash and investments will be monitored by the Finance and Resources Committee.