



Investment Policy

2024/2025 Academic Year

Contents

Aims.....	1
Legislation and guidance	1
Roles and responsibilities	2
3.1 Board of Trustees	2
3.2 Operations Committee.....	2
4. Investment principles	3
5. Procedures	3
6. Monitoring arrangements.....	4
7. Links with other policies.....	4

Aims

This policy aims to ensure that:

- Spa Education Trust (the Trust) 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.

Legislation and guidance

The [Academy Trust Handbook](#) (paragraph 2.22) states that academy trusts are required to have an investment policy to:

- Manage and track their financial exposure;
-

- Ensure value for money.

This policy is based on the Academy Trust Handbook and guidance from [The Charity Commission](#). This policy also complies with our funding agreement and articles of association.

Roles and responsibilities

3.1 Board of Trustees

The Board of Trustees (the Board) 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 security of funds takes precedence over revenue maximization;
- Ensure that all investment decisions are in the best interests of the trust and command broad public support.

The Board will seek prior approval from the Department of Education (DfE) 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 or 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 Operations Committee

The Board have delegated responsibility for the Trust's investments to the Operations Committee.

The committee is responsible for:

- Controlling and tracking financial exposure;
- Reviewing the Trust's investments;
- Reporting to the Board on investments.

3.3 The Accounting Officer

The Accounting Officer (AO) is responsible for making decisions on investments. The AO also provides information to the Board and the Operations Committee, as appropriate.

3.3 The Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for producing cash flow forecasts and for providing information to the Board and the Operations Committee, as appropriate.

4. Investment principles

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.

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

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

5. Procedures

The following posts are authorised signatories:

- Accounting Officer
- Chief Finance Officer

Before any funds are invested, the two authorised signatories will sign to indicate they agree to the investment.

The following information will be recorded about investments:

- Date;
- Amount and description of the investment;
- Length of investment;

- Interest rates/expected return.

The CFO will review interest rates and compare them with other investment opportunities annually. 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 balances to meet forthcoming commitments. When there are funds surplus to immediate cash requirements in the current account, we will transfer these to an account with a higher interest rate. Investments will normally be for a fixed term that does not exceed one year unless there is a clear rationale for longer-term investment that would benefit the trust. Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

6. Monitoring arrangements

The Operations Committee monitors the implementation of this policy on behalf of the Board. This policy will be reviewed and approved by the Board annually.

7. Links with other policies

This investment policy links with our policies on:

- Financial Policies & Procedures
- Reserves Policy
- Scheme of Delegation

Signed by Chair of Trustees

Signed by Executive Headteacher