



Investment Policy

Reviewed by the Finance, Personnel, Audit and Risk Committee:	Autumn 2023
Adopted by the Governing Body:	December 2023
Signed: Chair of Governors: Julian Campbell	Date:
To be Reviewed:	Autumn 2025



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'We promise to shine together'

Let the light of your face shine upon us - Psalm 4:6

Our ambition is to serve our community by providing an excellent education, which is inclusive and distinctive within the context of Christian belief and practice, upholding our values in the daily life of the Academy and in our relationships with others.

1. AIMS

1.1. This policy aims to ensure that:

- The Academy Trust's (referred to as the "Academy") funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook
- The Academy's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees (referred to as the "Governors") fulfil their duties and responsibilities as charitable Trustees and Company Directors (referred to as the "Governing Body")

2. LEGISLATION AND GUIDANCE

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

- Manage, control 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. **Governors**

Governors will ensure that investment risk is properly managed. When considering whether to make an investment, Governors 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 Academy 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 Academy and command broad public support



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

- 3.2. **Novel transactions** are those of which the Academy has no experience, or are outside the range of normal business activity for the Academy.
- 3.3. **Contentious transactions** are those which might give rise to criticism of the Academy by Parliament, the public, and the media.
- 3.4. **Finance, Personnel, Audit and Risk Committee**

Governors delegate responsibility for the Academy's investments to the Finance, Personnel, Audit and Risk Committee.

The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the Academy's investments
- Reporting to Governors on investments

3.5. **The Principal/SBM (Third Party)**

The Principal/School Operations Manager is responsible for producing cash flow forecasts and for making decisions on investments. The Principal/Operation Manager also provides information to the Finance, Personnel, Audit and Risk Committee and Governors, as appropriate.

4. INVESTMENT PRINCIPLES

- 4.1. We only invest funds in low risk and easily-accessible accounts, unless agreed otherwise by the Governing Body. Funds will be placed in bank and/or building society accounts with a withdrawal notice of no more than 12 weeks, unless agreed otherwise by the Governing Body.
- 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. Before any funds are invested, at least 2 authorised signatories (listed in our Finance Manual) will sign to indicate they agree to the investment.
- 5.2. The following information will be recorded about investments on the monthly bank account balance sheet:
- Date
 - Amount and description of the investment
 - Length of investment



- Interest rates/expected return

- 5.3. The Finance Committee Chair/SBM will review interest rates and compare them with other investment opportunities annually.
- 5.4. Cash flow and current account balances will be monitored regularly by the Principal/SBM to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.
- 5.5. 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.
- 5.6. 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 Academy.
- 5.7. A maximum of £85,000 will be placed with any financial institution. This is because the first £85,000 of an investment is protected by the Financial Services Compensation Scheme.
- 5.8. Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

6. MONITORING AND REVIEW ARRANGEMENTS

- 6.1. The Principal/Operations Manager will be responsible for monitoring the implementation and effectiveness of this policy. It will be reviewed at least every two years by the Finance, Personnel, Audit and Risk Committee; or before at any time, if there is new relevant legislation or guidance.