



# INVESTMENT POLICY

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Next Review Date: 17<sup>th</sup> January 2026

Link: Mr S Robertson



- 3.1.1.3. Take investment advice from a professional adviser, as appropriate
- 3.1.1.4. Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- 3.1.1.5. Ensure that all investment decisions are in the best interests of the trust and command broad public support
- 3.1.1.6. Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

**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, and the media.

### 3.2. Compliance committee

- 3.2.1. Academy trustees delegate responsibility for the trust's investments to the compliance committee. The committee is responsible for:
  - 3.2.1.1. Controlling and tracking financial exposure
  - 3.2.1.2. Reviewing the trust's investments
  - 3.2.1.3. Reporting to trustees on investments

### 3.3. The chief financial officer

- 3.3.1. The chief financial officer (CFO) is responsible for producing cash flow forecasts and for making decisions on investments. The CFO is responsible for:

## 4. INVESTMENT PRINCIPLES

4.1. The Trust holds reserves for a range of reasons:

**Cashflow** – enabling the trust to manage fluctuations in income by ensuring sufficient cash is available to pay bills and expenditure items as they fall due. For example, the Trust needs to manage cash flow in particular across the Primary Schools

**Contingency including future change and uncertainty** – setting aside an amount to cover any unforeseen issues or extra costs in-year. This could be to balance budgets where in-year expenditure exceeds income, or planning for a period of reduced pupil numbers, or covering unexpected costs to ensure the trust's overall budget is balanced.

**Planned investment and improvement** – growing savings to enable maintenance, development, and improvement of the trust's infrastructure to deliver the trust's capital and estates strategy. This could include sinking funds that set aside money each year to grow funds for premises projects and building plans, but could also be significant investment in the curriculum, IT or school improvement strategies.

**Strategic development and growth** – providing for the trust's financial health. This could include preparing for new schools to join the trust, or for existing schools to expand or investing in the central services of the trust to improve delivery or increase capacity.

4.2. The Trust's strategy is to retain Trust revenue reserve levels between 5% and 20% of total Trust revenue. The Trust strives to have all individual academies to hold around 10% revenue reserves however where this is not possible we revert to the overall Trust strategy.

4.3. 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 6 months.

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

4.5.

## 5. PROCEDURES

5.1. The following people are authorised signatories:

5.1.1. Chief Finance Officer

5.1.2. Chief Operating Officer

5.2. Before any funds are invested, the 2 authorised signatories will sign to indicate they agree to the investment.

5.2.1. The following information will be recorded about investments:

5.2.1.1. Date

5.2.1.2. Amount and description of the investment

5.2.1.3. Length of investment

5.2.1.4. Interest rates/expected return

5.3. The CFO 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 CFO 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 trust.

5.7. Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

## 6. MONITORING ARRANGEMENTS

6.1. The CFO monitors the implementation of this policy.

6.2. This policy will be reviewed and approved by the academy trustees every 2 years.