



INVESTMENT POLICY

Approved by: FAR Committee

Date Approved: 5th December 2025

Next review due by: December 2026

Contents

1. Aims.....	3
2. Legislation and guidance	3
3. Roles and responsibilities	4
4. Investment principles	Error! Bookmark not defined.
5. Procedures	4
6. Monitoring arrangements.....	5
7. Links with other policies.....	6
Appendix 1: investment authorisation form.....	7

1. Aims

This policy aims to ensure that:

- The trust's 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

2. 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.

3. Investment principles

The Trust's investment strategy is to identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives. Any investment decisions must be supported by a cashflow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

The Trust's investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day operational activities;
- To only invest funds surplus to operational need based on all financial commitments being met without the Trust's bank account becoming overdrawn;
- To ensure there is no risk of loss in the capital value of any cash funds invested;
- To protect the capital value of any invested funds against inflation;
- To optimise returns on invested funds;
- To be mindful of the need to have regard to social, environmental or ethical considerations.

By complying with this policy, all investment decisions will be exercised with care and skill and consequently, be in the best interests of the Trust, commanding broad public support.

The trust will 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 1 year.

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.

4. Roles and responsibilities

4.1 Trustees

Trustees 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 the trust articles of association
- Exercise caution in all investments, reducing risk and ensuring the trust acts with the utmost integrity
- Take investment advice from a professional adviser, where appropriate
- Ensure that exposure to investment products 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 and command broad public support

Trustees will seek prior approval from the DFE for investment transactions that are novel, contentious or repercussive.

Novel transactions are those of which the 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.

4.2 Finance, Audit & Risk Committee

Trustees delegate responsibility for the trust's investments to the Finance Audit & Risk Committee (FAR Committee).

The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to trustees on investments

4.3 The chief financial & operating officer (CFOO)

Day-to-day responsibility for management and implementation of this investment policy is delegated to the CFOO, who will ensure that investments are managed in accordance with this policy and that the performance of investments is regularly monitored. The CFOO is responsible for producing cash flow forecasts and for making decisions on investments. The CFOO also provides information to the FAR committee and trustees, as appropriate.

5. Procedures

Before any funds are invested, two authorised signatories will sign to indicate they agree to the investment using the Investment Authorisation form in **appendix 1**.

The following people are authorised signatories for approving investments:

- Chair of Trustees
- Chair of Finance, Audit & Risk Committee
- CEO

The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

The CFOO will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the CFOO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

Trustees will decide the amount of funds in the current account that will be transferred to an account with a higher interest rate, this will be based on the funds in the trust current account that are surplus to immediate cash requirements.

The Trust is able to invest any surplus funds (over and above the required day-to-day funds) in a mixture of savings accounts, either direct with a nominated bank or via a high interest savings account platform such as Flagstone or Insignis Cash Solutions.

The type of savings accounts the trust may use include:

- **Instant Access**
 - No notice needed to make withdrawals
 - Funds are usually returned overnight or within a few days
 - Interest rates are variable
- **Notice Accounts** (typically from 30-days to 100+ days)
 - No access without giving the required notice
 - Interest rates are variable
- **Fixed Term Deposits** (typically from 1-month to 12-months)
 - No access until the deposit matures
 - Interest rates are fixed for the term

Investments will not exceed 1 year unless there is a clear rationale for longer-term investment that would benefit the trust.

A maximum of £120,000 will be placed with one financial institution. This is because the first £120,000 of an investment is protected by the Financial Services Compensation Scheme with effect from 1 December 2025.

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 CFOO will monitor the cash position and cash flow forecast, reporting investments held and the performance of investments against objectives to the Finance, Audit & Risk Committee at appropriate intervals, depending on the terms of the investments.

Reporting should include:

- Funds invested
- Maturity dates
- Interest rates
- Latest cash flows showing 12-month liquidity requirements
- Recommendations for the next 3 months

The CFOO will also ensure:

- Regular review of the Investment Policy
- Maintain a clear record investment authorisations

This policy will be reviewed and approved by the FAR Committee on an annual basis.

7. Links with other policies

This investment policy links with the following policies:

- Financial Regulations Policy
- Reserves Policy



Appendix 1: Investment Authorisation Form

DATE INVESTMENT MADE		DURATION OF INVESTMENT	
AMOUNT			
INTEREST RATE		EXPECTED RETURN	
DESCRIPTION OF INVESTMENT			
DETAILS OF WHERE THE INVESTMENT IS HELD			
SIGNATORY NAME PRINT		SIGNATORY NAME PRINT	
SIGNATURE		SIGNATURE	
DATE		DATE	