

Bradgate Education Partnership

Investment Policy

Applicable to the Bradgate Education Partnership Multi-Academy Trust schools:

Broomfield Primary School
Church Hill Infants Primary School
Eastfield Primary School
Gaddesby Primary School
Great Dalby Primary School
Newtown Linford Primary School
Roundhill Academy
Seagrave Primary School
Swallowdale Primary School
The Merton Primary School
The Pochin School

**Policy Reviewed and Adopted
by MAT Board:**

Version:

1.1 March 2017

Date of Next Review:

March 2018

Responsible Officer:

CFO

Purpose and scope

The purpose of the Investments Policy is to set out the processes by which Academy trustees will meet their duties under the Academy's Articles of Association and Academies Financial Handbook issued by the EFA to invest monies surplus to operational requirements in furtherance of the Academy's charitable aims and to ensure that investment risk is properly and prudently managed.

Definition of duties

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects."

Whilst the Board of Trustees has responsibility for the Trust's finances, the Scheme of Delegation approved by the Board of Trustees, they delegate responsibility to the Finance Committee:

To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.

The Chief Financial Officer (CFO) is responsible for assessing cash flow forecasts as a basis for decision making. Cash flow forecasts to be provided by the academy. CFO is responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the Finance, Audit & Risk Committee so it can review and monitor investment performance for the Trust.

Objectives

The investment objectives are:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.

Investment strategy

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and or Moody to show good credit quality.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £75,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)).

Spending and liquidity policy

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the academy and signed off by the CFO. The cash flow forecasts will take account of the annual budget and spending plans approved by the Local Governing Body and updated on a monthly basis.

A sufficient balance must be held in the current account so that the Academy's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy.

Monitoring and review

The Academy has authorized signatories, two of which are required to sign instructions to the deposit taking institution.

The CFO will monitor the cash position and cash flow forecast and report 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. For example if investments are held one year then an annual report is appropriate.

This Investment Policy has been approved by the Finance, Audit & Risk Committee. It will be reviewed by the Finance, Audit & Risk Committee on an annual basis to ensure continuing appropriateness.

NB.

Please ensure that any investment is risk averse and can be withdrawn at short notice (30 days), should the need arise, subject to the loss of any interest gained during the period of investment. This should be without penalty to the academy or the Trust. All investments must be covered the Financial Services Compensation Scheme.