Learning today
Leading tomorrow

Aim High, Achieve Together, Celebrate Success

Investments Policy

Policy Details

Policy Level	School
Document Approver	Trust Board
Document Status	Final
Applicable to	All Trust Employees
Review Frequency	Every Year

Revision History

Revision	Date	Details	Approved by
0	12 July 2024	First Issue	ARC

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1. Introduction

Learning Today Leading Tomorrow (LT2) Board of Trustees are able to invest to further the trust's charitable aims. The Academies Financial Handbook allows investment on the understanding that the board of trustees:

- Act within their powers to invest as set out its articles;
- Have an investment policy to manage, control and track their financial exposure, and ensure value for money;
- Exercise care and skill in all investment decisions, taking advice as appropriate from a professional advisor;
- Ensure 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 trust's best interests review the trust's investments and investment policy regularly; and
- Follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's prior approval must be obtained for investment transactions which are novel, contentious and/or repercussive.

2. Responsibilities

The Trust recognises it has a statutory obligation to adopt formal policies and establish workplace procedures for dealing with Investments Policy. The Trust recognises that Investments Policy rules and procedures promote good employment relations and is committed to dealing with matters in a fair and consistent way.

The Finance Team is responsible for providing advice and guidance under this policy and reviewing and updating the policy as required.

The CEO takes overall responsibility for the implementation of policies and procedures, and will provide appropriate reports to trustees.

The Headteachers are responsible for the implementation of and compliance with this policy within their schools ensuring competence in those staff who are responsible for and involved in the operation of this policy and guidance.

Line managers are responsible for applying this policy in their departments and area of work.

All employees have the responsibility to comply with this policy and to co-operate with the school's leadership and management on all matters relating to it.

3. Policy

It is the Trustees' belief that it should be anticipated that the trust will have surplus cash available, both as a result of cashflow planning and also the implementation of a reserves policy that maintains a suitable amount of reserves. Such surplus cash should be invested to ensure that the trust receives an acceptable income stream without putting at risk the funds that belong to the trust.

Trustees believe that risk-free bank deposit accounts are the most appropriate place to invest surplus cashflow. Advice should be taken from the trust's bankers and funds invested as follows:

- Working capital to be invested in a Lloyds bank current account or equivalent. It is recognised that a small amount of interest is payable on this balance but that Lloyds also offer academies free banking which results in this lower interest rate.
- Surplus cash should be invested in a mixture of notice accounts of up to one year with Lloyds bank or a similar reputable UK based banking provider to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cashflow requirements.
- "Reputable" is defined as a Fitch rating of A or better where an unlimited amount may be invested. For banks with a Fitch rating of BBB the maximum invested is £250,000. The trust does not invest in banks with a Fitch rating of less than B.
- Any interest earned should be paid into the LT2 central budget to benefit all schools within our trust proportionally to their contribution.
- Balances invested should be reported to directors on a termly basis.
- Trustees do not intend to invest reserves in stocks and shares directly or in other volatile investments as they do not feel these represent an acceptable level of risk to the trust.