# Investment Policy

**Reviewing Members of Staff:** Helen Wood, CEO and Louise Morgan, CFOO.
**Date approved by Trustees:** June 2026
**Review Date:** June 2027
**Version control:** 01/0626

## Contents

## 1. Aims

1.1. This policy aims to ensure that:

1.1.1. The Balcarras Trust (the trust) funds are used only in accordance with the law, its Articles of Association, its funding agreement and the Academy Trust Handbook.

1.1.2. The trust's funds are used in a way that commands broad public support.

1.1.3. Value for money (economy, efficiency and effectiveness) is achieved.

1.1.4. Trustees fulfil their duties and responsibilities as charitable trustees and company directors.

1.15 All investment decisions will be made in accordance with the Seven Principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

## 2. Legislation and guidance

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

2.1.1. Manage, control and track their financial exposure.

2.1.2. Ensure value for money.

2.2. This policy is based on the Academy Trust Handbook and guidance from The Charity Commission and is underpinned by the principles set out in Managing Public Money, including regularity, propriety, and the responsible stewardship of public funds.

2.3. This policy also complies with our funding agreement and Articles of Association.

## 3. Roles and responsibilities - Trustees

3.1. Trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

3.1.1. Act within their powers to invest, as set out in our Articles of Association.

3.1.2. Exercise care and skill in investment decisions.

3.1.3. Take investment advice from a professional adviser, as appropriate.

3.1.4. Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.

3.1.5. Ensure that all investment decisions are in the best interests of the trust.

3.2. Trustees will seek prior approval from the Education and Skills Funding Agency (ESFA) for investment transactions that are novel, contentious or repercussive.

3.3. **Novel transactions** are those of which the trust has no experience or are outside the range of normal business activity for the trust.

3.4. **Contentious transactions** are those which might give rise to criticism of the trust by Parliament, the public, and the media.

3.5. **Repercussive transactions** are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

## 4. Roles and responsibilities – Finance Committee

4.1. Trustees delegate responsibility for the trust's investments to the Finance Committee. The committee is responsible for:

4.1.1. Controlling and tracking financial exposure.

4.1.2. Reviewing the trust's investments.

4.1.3. Reporting to Trustees on investments.

## 5. Roles and responsibilities – The Chief Financial Operating Officer

5.1. The Chief Financial Operating Officer is responsible for producing cash flow forecasts and for making decisions on investments. The CFOO also provides information to the Finance Committee and academy trustees, as appropriate.

5.2 The CFOO will ensure that investment decisions are informed by appropriate risk assessment and that risks are monitored and reported in line with the trust's risk management framework.

5.3. The CFOO 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 CFOO 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, they will be transferred 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. A maximum of £85,000 will be placed with one 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.

5.9. The Investment policy is required to ensure that investments are protected rather than maximising interest.

5.10. Short term investments are restricted to transfers to the Trust's deposit account. The CFOO must ensure that any surplus funds are deposited so as to maximise interest.

5.11. The CFOO will ensure the Trust's current account will hold enough to cover the monthly outgoings and any surplus funds will be transferred to the deposit account on a monthly basis.

5.12. Details of monthly deposit account transfers will be sent by the CFOO to:

5.12.1. Chief Executive Officer (CEO) (for authority)

5.12.2. Chair of Trustees (for information)

5.12.3. Chair of Committee (for information)

5.13. Where better short-term investments are available through the Money Market and funds are available to invest, the CFOO needs to liaise with the CEO and Finance Committee to consider this.

## 6. Investment Principles

6.1. We only invest funds in low risk and easily accessible accounts.

6.2. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks.

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

6.4. Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

6.5The organisation will aim to invest its funds responsibly, taking Environmental, Social and Governance (ESG) factors into account and avoiding investments that are inconsistent with its values where reasonably practicable.

## 7. Procedures

7.1. The following people are authorised signatories:

7.1.1. Chair of Trustees

7.1.2. Chair of Finance Committee

7.1.3. CEO

7.1.4. CFOO

7.2. Before any funds are invested, 2 authorised signatories (1 signatory must be the CEO) will sign to indicate they agree to the investment.

7.3. The following information will be recorded about investments:

7.3.1. Date.

7.3.2. Amount and description of the investment.

7.3.3. Length of investment.

7.3.4. Interest rates / expected return.

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

7.5. 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.

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## 8. Monitoring arrangements

8.1. The CFOO monitors the implementation of this policy.

8.2. This policy will be reviewed annually by the Finance Committee and approved annually by the Full Trust Board.

## 9. Links with other policies

9.1. This Investment policy links with our policies:

9.1.1. Financial Procedures Policy

9.1.2. Risk Management policy

9.1.3. Business Continuity Policy