



INVESTMENT POLICY

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1. Introduction

1.1 Academy Trusts are able to make investments and these investments can be a good source of funding, but can also expose Trusts to risks. A financial investment is when an investment is made to achieve the best financial return, within the level of risk considered to be acceptable. Aspire Schools Trust (AST) is careful with the public money it is entrusted with and takes steps to manage the risk associated with financial investments.

1.2 AST aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, whilst ensuring the investment instruments are such that there is no risk of loss of these cash funds. AST aims to spend the public monies with which it is entrusted for the direct educational benefit of students, as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

2. Purpose

2.1 The purpose of this Investment Policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils. This Investment Policy also sets out the processes by which the Trustees will meet their duties under the Academy's Articles of Association and the Academies Financial Handbook.

2.2 The management of charitable funds and investments will comply with the requirements of the:

- Charities Act 2011
- Trustee Act 2000
- Financial Services and Markets Act (FSMA) 2000
- Charity Commission

2.3 This policy applies to all Trustees, Governors' and employees of Aspire Schools Trust (AST). Any breach of the Investment Policy and procedure may result in disciplinary action.

2.4 The AST Board of Trustees is responsible for management of Trust funds, with some delegation Trust committees and specific personnel, as prescribed in the Scheme of Delegation, in terms of funds and assets administration.

3. Definition of Duties

Board of Trustees

The AST Board is responsible for ensuring that the Trust's investment risk is properly managed, with security of funds taking precedence over revenue maximisation; and that all investment decisions are in the best interests of the Trust and command broad public support.

AST Finance & Audit Committee

The AST Finance & Audit Committee is responsible for monitoring adherence to this policy and reviewing it; for the appointment of investment advisors/managing agents; and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

Accounting Officer

The Accounting Officer, who is the Chief Executive Officer (CEO) is accountable to the AST Board for the effective implementation of this policy. The Accounting Officer must assure the AST Board of the Trust's compliance with the requirements of the Academies Financial Handbook.

Chief Financial Officer

The CFO is responsible for ensuring that the Central Finance Team are aware of the investment policy, and for ensuring that the policy is followed for all investments held. The CFO is also authorised to withdraw and deposit funds from and into the liquid Investments (Cash Deposits) to meet immediate working capital requirements, subject to the existing authorisation protocols, prescribed within the AST Scheme of Delegation and Financial Regulations policy.

4. Aims and Objectives

4.1 Investments should be made to further AST's charitable aims, but must ensure that investment risk is properly managed. The investment objectives of AST are to:

- achieve the best financial return available on the invested funds, whilst ensuring that security of deposits takes precedence over revenue maximisation;
- only invest funds which are surplus to operational need, based on all financial commitments being met without the Trust bank account becoming overdrawn;
- ensure there is no risk of loss in the capital value of any cash funds invested; and
- exercise due care and skill in all investment decisions, ensuring these remain in the best interests of the Trust, whilst also commanding broad public support.

5. Investment strategy

5.1 Investments are currently restricted to deposit accounts with the Trust's bankers. Any interest earned is returned to the Trust as unrestricted income.

5.2 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 Chief Financial Officer. The cash flow forecasts will take account of the annual budget and spending plans approved by the AST Board and will be updated on a monthly basis.

5.3 A sufficient balance must be held in the Trust's current account so that AST's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be kept under review and should not, ordinarily, be less than one month's worth of salary payments for the Trust plus an agreed contingency amount for other supplies and services for each school.

5.4 Investments for a fixed term will 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, which is of benefit to AST. 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.

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

6. Procedures

6.1 AST has authorised signatories, two of which are required to sign instructions for the deposit taking institution. The following people are authorised signatories:

- Mr Mark Guest (CEO & Accounting Officer)
- Mrs Sancha Maggs, (Chief Financial Officer & Trust Business Manager)
- Mr Alan Brogan (Deputy Headteacher, Sir William Robertson Academy)
- Mr Steve Grant (Deputy Headteacher, Sir William Robertson Academy)
- Mrs Samantha Quincey (Deputy School Business Manager, Sir William Robertson Academy)

6.2 For internal purposes, the following information will be recorded about investments and shared with the Finance & Audit Committee:

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

7. Monitoring and Review

7.1 The Chief Financial Officer will prepare annual reports on the performance of any investments, which will be reviewed by AST's Finance & Audit Committee on at least an annual basis, to ensure that the Trust's funds are achieving the best available interest rates. Details of this will also be included in the Trust's Annual Report and Financial Statements.

7.2 The Committee will also carry out a regular review of this policy to ensure compliance and that any new or amended legislation is adhered to.