

INVESTMENT & TREASURY POLICY

Learning Academies Trust

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CHANGES

Policy date	Summary of change	Author	Version	Review date
07/07/2020	Policy has been created.	Kay Mabin, CFO	1.0	07/07/2022
01/12/2022	Policy has been reviewed. 5. Investment principles paragraph updated to reflect 12-month investment period.	Kay Mabin, CFO	2.0	01/12/2024
01/12/2024	Policy has been reviewed. 5. Investment principles paragraph updated to reflect up to 24-month investment period.	Kay Mabin, CFO	3.0	01/12/2026
01/12/2024	6. Liquidity arrangements and 7. Ethical and sustainability statement added.	Kay Mabin, CFO	3.0	01/12/2026

1. AIMS

This policy aims to ensure that:

- The academy 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 states that academy trusts are required to have an investment policy to:

- Manage, control 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. DEFINITIONS

Term	Definitions
ATH	Academy Trust Handbook
CFO	Chief Finance Officer
FCA	Financial Conduct Authority

4. ROLES AND RESPONSIBILITIES

4.1 Academy Trustees

Academy 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 our articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that 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 best interests of the trust and command broad public support

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

Novel transactions are those of which the academy 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, and the media

4.2 Finance committee

Academy trustees delegate oversight for the trust's investments to the finance committee.

The committee is responsible for:

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

4.3 The Chief Finance Officer

The CEO delegates responsibility to the Chief Financial Officer (CFO) who will:

- manage the Trust's cash position robustly
- make day-to-day decisions on cash management, savings, investment and money-market deposits.
- ensure the bank account does not go overdrawn
- main point of contact with bank and maintain good working relationship with their commercial manager
- Maximise on bank interest rates and credit interest earned
- Provide regular information to the finance committee and academy trustees, as appropriate.

5. INVESTMENT PRINCIPLES

The Learning Academies Trust 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 24 months.

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

When any funds are invested, an email confirmation of the investment is then emailed to the Chief Finance Officer. This will then be shared with the CEO on receipt and reported to the finance committee at the next meeting.

The following information will be recorded about investments in the finance committee meetings:

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

The CFO will continually review interest rates and terms available.

6. LIQUIDITY REQUIREMENTS

Cash flow and current account balances will be monitored regularly by the CFO to ensure immediate financial commitments can be met and that the current account and associated savings accounts have adequate liquid balances to meet forthcoming commitments.

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.

Investments will normally be for a fixed-term that does not exceed two years unless there is a clear rationale for longer-term investment that would benefit the trust i.e. a fixed term deposit with a higher interest rate.

Investments and any interest earned on those investments will be automatically reinvested unless money is required for immediate or anticipated expenditure.

7. ETHICAL AND SUSTAINABILITY STATEMENT

The Trust has an ethical investment policy to ensure that any investments it holds must not conflict with its aims, values or aspirations or likely to damage the reputation of the Trust or the sector.

'Ethical' in treasury and investment terms includes, but is not limited to, regular consideration of funds or companies that do not align with the vision of the Trust to improve the lives of children and young people and the aspiration to support global sustainable development (UN Sustainable Development Goals).

8. MONITORING ARRANGEMENTS

This policy will be reviewed by the CFO and approved by Trustees every 2 years.