

# Investment Policy



Version	Date	Action
1	November 2022	Drafted
2	December 2022	Reviewed and agreed by Beam Trust
3		
4		
5		

## **CONTENTS**

## **PAGE**

1. Statement of Intent	2
2. Legal Framework	2
3. Roles and responsibilities	2
4. Investment	3
5. Reporting	4
6. Monitoring and review	4

## **1. STATEMENT OF INTENT**

The Beam Trust has developed this policy to protect its operations by creating financial support against an unpredictable environment and to ensure there is sufficient provision for future procurement and cash flow requirements. This policy also aids the framework for future strategic planning and decision-making.

The policy and the establishment of financial ranges are based on an annual risk assessment of internal and external operations, as well the kinds of activities the trust undertakes. The risk to the Trust can be summarised as a risk to future funding due to falling pupil rolls, reforms to funding, emergencies and early teacher retirement or redundancies.

## **2. LEGAL FRAMEWORK**

This policy has due regard to all relevant legislation and statutory guidance including but not limited to the following:

- ESFA (2022) 'Academy trust handbook 2022'
- Charity Commission (2016) 'Charities and investment matters: a guide for trustees'

This policy operates in conjunction with the following Trust policies and documents:

- Articles of Association
- Funding Agreement
- Finance Policy
- Conflicts of Interest Policy

## **3. ROLES AND RESPONSIBILITIES**

The Board of Trustees is responsible for:

- Acquiring approval from the ESFA for novel contentious and/or repercussive investments.
- Authorising the transfer of investment funds to an interest-bearing deposit account.
- Ensure value for money when deciding to invest funds.
- Ensuring that exposure to investment products is tightly controlled so that the security of funds takes precedence over revenue maximisation.
- Ensuring that investment decisions are made in the best interests of the Trust.
- Maintaining the Trust as a going concern.

The Resource Committee is responsible for:

- Making financial recommendations to the Board of Trustees.
- Carrying out any other responsibilities in line with the relevant scheme of delegation.
- Adhering to and implementing this policy.

The CFO is responsible for:

- Transferring investment funds to an interest-bearing deposit account with the authorisation of the Board of Trustees.

## **4. INVESTMENT**

The Trust will aim to manage its cash balances to provide for day-to-day financial management.

Where there are sufficient funds to meet all of the Trust's financial commitments and surplus funds of £100,000 exist, the Trust will seek to optimise returns by investing. The Trust will manage conflicts of interest in relation to investment in line with the Conflicts of Interest Policy.

Where the Trust decides to invest the investment risk will be properly managed. When considering an investment, the Board of Trustees will:

- Act within its powers to invest as set out in its articles.
- Manage and track its financial exposure and ensure value for money.
- Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser.
- Ensure that exposure to investment products is tightly controlled so that the security of funds takes precedence over revenue maximisation.
- Ensure that investment decisions are in the best interests of the Trust.

The Trust will adhere to the Charity Commission's guidance for Trustees about investments and seek prior approval from the ESFA for investments of any value that are novel, contentious or repercussive.

Where the Board of Trustees has agreed on an amount to be invested the CFO will be authorised to transfer the funds to an interest-bearing deposit account.

Invested funds will be reported to the Resource Committee at the next available meeting, outlining the maturity date and interest rate achieved.

On maturity the CFO will review the position and re-invest in line with this policy where required.

To minimise and limit the risk of investment the Trust will:

- Invest in markets where financial services are closely regulated.
- Adopt a suitably diversified portfolio.
- Avoid speculative forms of investment.
- The Trust's Bankers, Lloyds Bank Plc will be contacted in the first instance and is the preferred institute to place any funds on deposit with.

The Trust will not invest in:

- Any organisation that is directly involved in indiscriminate weaponry.
- Any organisation that produces pornography.
- Any organisation where their principal business activity or focus is tobacco, alcoholic drink or gambling.

## **5. REPORTING**

The Board of Trustees will disclose in its annual report its policy for building and maintaining investments and will include the information required in line with the Academies Accounts Direction for the relevant reporting year.

## **6. MONITORING AND REVIEW**

This policy will be reviewed annually by the Board of Trustees and any changes made to the policy will be communicated to all staff and parents.