

Investment Policy

V1

December 2024

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1.0 Policy Statement

Beckfoot Trust's mission is to create remarkable schools where no child is left behind. The Trust is committed to managing its funds in a way that protects and preserves capital while ensuring efficient and effective use of resources. This Investment Policy sets out the principles and guidelines to safeguard our Trust's capital by prioritising low-risk investments. The Trust does not accept risk to capital on any of its investments, ensuring that funds are secure and available for the Trust's operational needs.

2.0 Scope and Purpose

This policy is underpinned by the following guidance and legislative documents:

- DfE Governance Handbook
- Academy Trust Handbook
- Beckfoot Trust Funding Agreements (see Trust Website)
- Finance policies and procedures

3.0 Roles and Responsibilities

Board of Trustees: The Board has ultimate responsibility for approving the Investment Policy and overseeing its implementation. It will review the policy annually to ensure its ongoing relevance and effectiveness.

Business and Finance Committee: The Business and Finance Committee is responsible for monitoring investment performance, ensuring compliance with this policy, and making recommendations to the Board regarding investment strategies. The Business and Finance Committee will review reports on a regular basis and provide oversight to ensure that investment activities remain aligned with the Trust's objectives and risk tolerance.

Chief Financial Officer (CFO): The CFO is responsible for the day-to-day management of the Trust's investments in line with this policy, for monitoring cash flow and for providing regular reports to the Business and Finance Committee.

The CFO will monitor the performance of all investments and the profile of the deposit/investment portfolio at point of making a deposit, ensuring that they comply with this policy. Reports will be provided to each Business and Finance Committee, detailing the Trust's investment portfolio, liquidity position, and any issues arising.

Accounting Officer: The Accounting Officer is responsible for strategic oversight of the investment policy.

4.0 Objectives

The Trust's investment objectives are:

- Preservation of Capital: The Trust does not accept risk to capital and prioritises secure investment options that safeguard funds.
- Liquidity: Investments should be managed to ensure that funds are readily available to meet the Trust's operational needs and financial commitments.

- Return on Investment: The Trust seeks to achieve the highest possible return on investments, provided it does not compromise the security or liquidity of the funds.

5.0 Investment Products

The Trust will only invest in low-risk financial products that guarantee the preservation of capital. Approved investment products include:

- Government-backed deposits: Including UK Treasury Bills, Bonds, and other government-guaranteed instruments.
- Bank deposits: High-quality banks or building societies, subject to Financial Services Compensation Scheme (FSCS) protections where applicable.
- Money Market Funds

The Trust aims to minimise the risk of default by spreading deposits across banking institutions. For selection, assets will only be considered with banking institutions that show a good credit quality as assessed by the three main rating agencies (Fitch, Moody's, Standard and Poor's). The maximum investments by rating are as follows:

Rating and Meaning	Beckfoot Trust Investment Limits
AAA: Issuers of exceptionally high quality with consistent cash flows AA: still high quality; still has a low default risk A: low default risk; slightly more vulnerable to business or economic factors	Up to £1.5m
BBB (B): a low expectation of default; business or economic factors could adversely affect the company	Up to £85k

Investments in equities, corporate bonds, or other high-risk financial products are not permitted under this policy.

On making investments the Trust will consider whether the investments are suitable. This means taking account of matters that are relevant to the Trust circumstances and may on occasion include avoiding investments that conflict with the Trusts purpose.

6.0 Assessing Liquidity Needs

The Trust will regularly assess its cash flow requirements to ensure that sufficient liquidity is maintained to meet operational and strategic needs. Investment decisions will be made with consideration of the timing and certainty of cash flows. The Trust will hold adequate cash reserves or liquid assets to meet foreseeable short-term needs.

Investments will be blended so that there are regular maturity dates in which cashflow needs can be reassessed.

7.0 Review of Policy

This is reviewed every two years but may be reviewed in response to either an external or internal change in circumstances.