

	BICESTER LEARNING ACADEMY TRUST <u>INVESTMENT POLICY</u>			<u>Written By:</u> J Davison – Director of Business & Finance (BLA)
	Applicable to: ALL DIRECTORS, STAFF & STUDENTS/PUPILS	<u>Accountable Officers:</u> <u>Accounting Officer –</u> B J Baxter (TCS) J Davison - Director of Business & Finance (BLA)	<u>Date to Adopted:</u> Spring Term 2017	<u>Date To Be Reviewed:</u> Spring Term 2017 (Every year)

Bicester Learning Academy (BLA) is a Multi-Academy Trust. It is a company limited by guarantee, registered in England and Wales with registered company number 09053713 and its registered address at Churchill Road, Bicester, Oxon, OX26 4RS.

AIMS

The Academy 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 Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Academy 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.

OBJECTIVES

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

IMPLEMENTATION

The Academy will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the Academy and to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

From time to time, operational and strategic decisions will result in substantial cash balances at the bank over a sustained period.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing deposit accounts with any of the following banks only
 - Lloyds Bank
 - Barclays
 - RBS
 - HSBC
- Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks

Prior to investing funds, the Headteacher must satisfy himself that the cash flow predictions provided by the Director of Business & Finance and Finance Manager are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the School.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the “Risk that the return on investments is not being maximised” and “Risk that trustees are not acting in accordance with their Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy)”.

The principles which the Board of Directors will adopt are as follows:

- Where practicable the reserve is invested in tranches of up to £85,000
- Consideration should be given to investing each £85,000 tranche in a different authorised financial institution (see Banks section)
- All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment

Trustees will ensure that exposure to investment products is tightly controlled, in order to ensure that security of funds takes precedence over revenue maximisation.

BANKS

If a bank or building society authorised by the Financial Services Authority (FSA) is unable to pay back deposits held with it, the Financial Services Compensation Scheme (FSCS) can pay 100% of the first £85,000 of an eligible depositor's claim, **per authorised institution**. The list of authorised institutions and those considered acceptable to use, is provided by the FSA at the following address:

http://www.fsa.gov.uk/Pages/consumerinformation/uk_groups/index.shtml

Periodically (at least every 3 months) the Director of Business & Finance will review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this policy.

Policy/Procedure Title	Investment Policy
Issue Date to Committee	Spring Term 2017

Author (Name/Department	J Davison – Director of Business & Finance (BLA)
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