

# OWLCOTES MULTI-ACADEMY TRUST

## Investment Policy



**April 2018**

Reviewed: February 2024

## About Owlcotes Multi-Academy Trust (OMAT)

**OMAT** is committed to the development of inclusive schools, sharing a common purpose to provide excellent education and improved outcomes for pupils.

**OMAT** strives to provide high-quality education for all children within our local communities by inspiring innovation, creativity and aspiration through an enriched curriculum.

**OMAT** is committed to the principles of co-operation, collaboration and sharing best practice with a strong focus on staff development.

**OMAT** is also committed to the preservation of the unique identity of all schools within the trust: each school will have a Local Governing Board (LGB) which is involved in decision making at school level, with autonomy to make decisions for its own school in line with the scheme of delegation.

All trustees and any schools joining must agree to share and uphold all of these principles now and in the future.

## Investment Policy

### **1. Purpose and Scope**

The purpose of the Investments Policy is to set out the processes by which OMAT trustees will meet their duties under OMAT's Articles of Association and Academies Financial Handbook issued by the EFSA to invest monies surplus to operational requirements in furtherance of OMAT's charitable aims and to ensure that investment risk is properly and prudently managed.

### **2. Definition of Duties**

The OMAT's Articles of Association gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects." The Board of Trustees of OMAT has overall responsibility for the Trust's finances, in discussion with and taking advice from the Finance, Risk and Audit Committee (FRAC) and the Chief Finance Officer (CFO.)

The CFO is responsible for producing reliable cash flow forecasts as a basis for decision making. The CFO is responsible, alongside the Chair of the FRAC, for advising the OMAT Trust Board on investment decisions that comply with this Policy and for providing sufficient management information to the FRAC so it can review and monitor investment performance.

### **3. Objectives**

Owlcotes Multi-Academy Trust's investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the OMAT or individual Academy banks account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.

#### 4. Investment Strategy

Investment risk will be managed to ensure that security of deposits takes precedence over revenue maximisation. OMAT will 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 12 weeks.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings assessed by Fitch, Moody and/or Standard & Poor's. For reference the most recent available credit ratings for the four main UK clearing banks (February 2024) are shown below:

<b>Bank</b>		<b>Moody's</b>	<b>Fitch</b>	<b>Standard &amp; Poors</b>
Barclays Bank PLC	LT	A1 (December 2023)	A+ (July 2023)	A+ (November 2023)
Lloyds Bank plc	LT	A1 (October 2023)	A+ (August 2022)	A+ (December 2022)
RBS/Nat West	LT	A3 (November 2023)	A (December 2023)	BBB+ (July 2023)
HSBC Bank plc	LT	A1 (October 2023)	AA- (November 2023)	A+ (November 2023)

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £750,000 which equates to the total costs of one month's staffing and other expenditure costs across OMAT. Whilst this may exceed the protection limit of £85,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the criteria outlined in this policy. At this time, it is anticipated that deposits should only be made with the institutions set out above. OMAT will split the maximum investment total of up to £1,000,000 between a minimum of two institutions from the table above.

#### 5. Spending and Liquidity Policy

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 CFO. The cash flow forecasts will take account of the annual budget and spending plans approved by the OMAT Board and individual Local Governing Boards and updated on a monthly basis.

A sufficient balance must be held in the current account so that the OMAT's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should 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 to the benefit of OMAT.

#### 6. Monitoring and Review

OMAT has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The CFO will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the FRAC at appropriate intervals, depending on the

terms of the investments. For example, if investments are held for one year then an annual report is appropriate.

This Investment Policy has been approved by the OMAT Board of Trustees.

It will be reviewed by the FRAC on an annual basis to ensure continuing appropriateness and approved at a meeting of the OMAT Board of Trustees.

This Investment Policy was adopted by Owlcotes Multi Academy Trust on 25/04/2018.

Chair of Trustees: Mrs Judith Norfolk		
Signature:		Judith Norfolk
Frequency of review:	Annually	
To be reviewed by:	FRAC	
To be approved by:	OMAT Full Board	
Date of next review:	February 2025	

### REVIEW RECORD

Date of review	Reason for review	Date of next review
10/02/2022	Updated bank credit ratings and investment amount.	March 2023

Name :		Signature:	
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on behalf of OMAT Full Board

Date of review	Reason for review	Date of next review
23/03/2023	Updated bank credit ratings and investment amount.	March 2024

Name :			
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on behalf of OMAT Full Board

Date of review	Reason for review	Date of next review
08/02/2024	Updated bank credit ratings.	February 2025

Name :		Signature:	
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on behalf of OMAT Full Board