

Investment Policy

This policy is applicable to: Wonder Learning Partnership (WLP)

Version 1.1

<p>Important: This document can only be considered valid when viewed on the website. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.</p> <p>Name and Title of Author:</p>	<p>Gary Sheen <i>Chief Financial, Audit and Risk Officer</i></p>
<p>Name of Responsible Committee/Individual:</p>	Board of Trustees
<p>Implementation Date:</p>	Spring 2025
<p>Review Date:</p>	Spring 2026
<p>Target Audience:</p>	Trust Executive Team, Trustees, Finance Staff
<p>Reference Documents:</p>	
<p>Changes from previous version:</p>	Updated company name

Policy statement

- The Wonder Learning Partnership seeks to ensure that stewardship of funds is prioritised and adopts a risk averse approach to investment of surplus cash balances, both for reasons of retaining immediate access to funds to cover unforeseen financial events, and of minimising risk of financial loss.
- At the same time, the Trustees wish to ensure that the Trust's resources are being applied towards achievement of the Trust's strategic plan and to the following objectives:
 - That the Trust remains financially viable on a going concern basis.
 - That the Trust achieves value for money.
 - That the Trust fulfils its responsibility for the provision of effective financial controls over the use of public funds.
 - That the Trust complies with all relevant legislation.
 - That the financial responsibilities of the Trust are managed efficiently, effectively and economically.
- The purpose of this Policy is also to set out the processes by which Trustees will meet their duties under the Trust's Articles of Association and Academies Trust Handbook issued by the Department for Education to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.
- To that end, the aim of this policy is to ensure that any Investments the Trust chooses to make are:
 - Made further to the Trust's charitable aims;
 - Properly managed.
 - Designed to achieve the best financial return available for cash reserves;
 - Secure;
 - That funds are only invested which are surplus to operational need.
- Where there is a conflict between best financial return and security of deposit, security of deposit takes precedence over revenue maximisation.

Ability to Invest

The Trust's articles of association gives Trustees the power:

- to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification);
- to delegate the management of investments to a financial expert, but only on terms that:
 - the investment policy is set down in writing for the financial expert by the Trustees;
 - every transaction is reported promptly to the Trustees;
 - the performance of the investments is reviewed regularly with the Trustees;
 - the Trustees are entitled to cancel the delegation arrangement at any time;
 - the investment policy and the delegation arrangement are reviewed at least once a year;

- all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
- the financial expert must not do anything outside the powers of the Directors;
- to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required.

The Chief Financial Officer's Role

- The Chief Financial Officer is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for taking professional treasury management advice and making investment decisions that comply with this Policy which includes authorisation from the Finance, Audit and Risk Committee, in accordance with the Trust's Financial Scheme of Delegation and with ESFA approval where needed and for providing sufficient management information to the Finance, Audit and Risk Committee so it can review and monitor investment performance.

The Objective of any Investment

- The Objective of any Investment is to achieve the best financial return available whilst ensuring the security of deposits takes precedence over revenue maximisation.
- Funds should be only invested surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.
- All Investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

Investment strategy

- Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.
- For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch Moody or Standard & Poor to show credit quality, with A or higher.
- To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £250,000 with any Prudential Regulation Authority institution authorised by the Bank of England. Whilst this exceeds the protection limit of £85,000 provided by the Financial Conduct Authority, it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.
- Those involved in setting the Investment Strategy for the Trust should bear in mind that the protection limit of £85,000 relates to per authorised firm. Where a deposit taking institution are part of the same group and operate under the same authorisation number, the maximum protection limit is £85,000.

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 Chief Financial Officer.

The cash flow forecasts will take account of the annual budget and spending plans approved by the Trust Board and updated on a monthly basis.

- A sufficient balance must be held in the current account so that the Trust'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 the Academy.

Operational and Monitoring Requirements of Investments

- The Trust has authorised signatories, two of which are required to sign instructions to the deposit taking institution.
- The Chief Financial Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance, Audit and Risk Committee at appropriate intervals, depending on the terms of the investments. For example, if investments are held one year then an annual report is appropriate.