



HAYDON SCHOOL

Investment Policy

Mission Statement

Haydon School is committed to the achievement of individual excellence, encouraging students to be creative and considerate, confident of their role in society and capable of rising to the challenges of a diverse and rapidly developing global economy.

Contents

- **Executive Summary**
- **Risk**
- **Objective**
- **Strategic Plan**
- **Monitoring and Evaluation**
- **Policy Review**

Appendix 1 – Extract from the School’s Articles of Association

1. Executive Summary

The purpose of the policy is to ensure effective management of the School's funds, giving consideration to the maximisation of interest and other returns against the statutory responsibility of protecting public funding. The Academy Trust Handbook (issued by the Education and Skills Funding Agency) allows investment on the understanding that The Board:

- o Act within its powers to invest as set out in its Articles of Association
- o Have an investment policy to manage and track its financial exposure, and ensure value for money
- o Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- o Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- o Ensure that investment decisions are in the best interests of the School
- o Review the School's investments and investment policy regularly
- o Follows the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees. ESFA's approval must be obtained for investment transactions that are novel, contentious and/or repercussive.

The board of Trustees must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the School's long and short term financial commitments as well as its expected income.

The School's Articles of Association permit the Board of Trustees to make investment, see Appendix A.

2.Risk

A certain degree of risk is associated with all investments and the Board of Trustees must do all they can to manage risk levels. Before any investment decisions are made, the Board of Trustees must consider the level of risk they are able to accept.

3.Objective

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk.

4.Strategic Plan

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the School's current account to cover financial commitments such as payroll and day-to-day expenses. Surplus funds not needed within an initial 90 day period will be considered for investment.

Short term funds expected to be required within a 12 month period should be held in liquid investments after approval from the Finance and Premises Committee. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

When selecting a suitable investment, the financial strength of the financial institution should be considered within the assessment of the overall suitability.

5.Monitoring and Evaluation

The Director of Finance and Operations will compare alternative investment opportunities to ensure that the School's funds achieve the best financial returns with the minimum risk.

6.Policy Review

This policy will be reviewed annually.

Appendix 1 – Extract from the School’s Articles of Association

Objects

The School’s object (“the Object”) is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

In furtherance of the Object but not further or otherwise the School may exercise the following powers:

- o To draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the School
- o
- o To raise funds and to invite and receive contributions provided that in raising funds the School shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- o
- o To acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- o
- o To establish or support, whether financially or otherwise, any charitable trusts, associations or institutions formed for all or any of the Object;
- o
- o Subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the School to borrow and raise money for the furtherance of the Object in such manner and on such security as the School may think fit;
- o
- o To deposit or invest any funds of the School not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Board of Trustees consider necessary and having regard to the suitability of investments and the need for diversification);

- o To delegate the management of investments to a financial expert, but only on terms that:
 - o The investment policy is set out in writing for the financial expert by the Board of Trustees;
 - o Every transaction is reported promptly to the Board of Trustees;
 - o The performance of the investments is reviewed regularly with the Board of Trustees;
 - o The Board of Trustees are entitled to cancel the delegation arrangement at any time;
 - o The investment policy and the delegation arrangement are reviewed at least once a year;
 - o All payments due to the financial expert are on a scale or at a level which is agreed in advanced and are notified promptly to the Board of Trustees on receipt; and
 - o The financial expert must not do anything outside the powers of the Board of Trustees

- o To arrange for investments or other property of the School to be held in the name of a nominee company acting under the control of the Board of Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- o
- o To provide indemnity insurance to cover the liability of the Board of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the School: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Board of Trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Board of Trustees in their capacity as trustees;
- o
- o To establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the School;
- o
- o The income and property of the School shall be applied solely towards the promotion of the Object.

Document History

Date	Status	Comments
January 2020	New	New Policy To F&P 9 January 2020
June 2022	Updated	To F&P on 23 June 2022. To FGB on 20 July 2022
Next Review Date: June 2023		