



Coppice

Primary Partnership

Growing Together, Striving for Excellence.

Investment Policy

Approved: Term 3 2025/26

Next Review: Term 3 2026/27

1. Aims

This policy aims to ensure that:

- Adequate cash balances are maintained in the current account to cover day-to-day working capital requirements;
- The Trust only invests funds surplus to operational need based on accurate and up to date cashflow forecasts
- Returns on surplus cash are optimised within a clearly defined and prudent risk framework
- Investments comply with the Academy Trust Handbook and the DfE guidance *Managing Academy Trust Reserves (June 2025)*

2. Purpose and Scope

This policy applies only to short-term, cash-based deposits where capital is not at risk. It does not apply to any long-term or capital-at-risk investment strategies.

The policy sets out:

- The types of investment products the Trust may use
- Counterparty and concentration limits
- Liquidity requirements
- Governance, authorisation, monitoring and reporting arrangements

3. Investment Strategy

The security of cash takes precedence over revenue maximisation.

Surplus funds may be invested only where:

- A robust cash flow forecast demonstrates that funds are not required for operational use
- The investment term aligns with forecast liquidity needs
- Access to funds is not required before the end of the notice period or maturity date

4. Permitted Investment Products

In line with DfE guidance, the Trust may invest surplus funds in the following cash-based products, provided capital is not placed at risk:

- Current and cash management accounts

- Instant / easy access deposit accounts
- Notice accounts (typically 30-100+ days)
- Fixed term deposits (typically 1-12 months)
- Cash deposit platforms (Insignis) that place funds with eligible UK-regulated banks

Investment maturity dates should not normally exceed 12 months unless funds are being held for a clearly defined future purpose and there is no foreseeable requirement for earlier access.

5. Use of Insignis Cash Solutions

Where the Trust uses Insignis (or a similar cash deposit platform):

- Funds will be placed only with UK banks or financial institutions that are authorised and regulated by the Financial Conduct Authority (FCA)
- Insignis will act solely as an agent, facilitating the placement of deposits; ownership of funds remains with the Trust at all times.
- Deposits will be spread across multiple institutions to manage counterparty risk and, where appropriate, to optimise Financial Services Scheme (FSCS) coverage
- Only products that guarantee the return of capital and accrued interest will be used.
- The CFO will ensure that Insignis' operating terms, controls and regulatory status are reviewed periodically.

6. Counterparty Risk and Restrictions

The Trust will only deposit funds with institutions that:

- Hold a UK banking license
- Are regulated by the FCA
- Meet minimum credit rating requirements at the time of the deposit

Counterparty Limits

For institutions with an investment-grade credit rating (or implied rating) of BBB-/Baa3 or better:

- A maximum of £5,000,000 (plus accrued interest) may be deposited with any one institution

Accepted ratings include:

- Moody's Baa3/P-3 or better
- S&P: BBB-/A-3 or better

- Fitch: BBB-/F3 or better
- An implied credit rating equivalent to BBB- or better

Credit ratings will be checked when placing deposits with new institutions.

7. Liquidity Management

The Trust will maintain sufficient funds in current and instant-access accounts to:

- Meet all known financial commitments
- Avoid overdraft usage
- Manage reasonable unforeseen or one-off events

Liquidity levels and available surplus funds will be determined by rolling cash flow forecasts covering at least 12 months.

Cashflow forecasts will be:

- Prepared and maintained by the CFO
- Reviewed monthly as part of the management accounts process
- Reviewed at the maturity of fixed-term deposits

It is recognised that notice and fixed-term deposits cannot be accessed before the end of the notice period or maturity date.

8. Authorisation

The Trustees delegate authority for investment decisions as follows:

- **Deposits with a term or notice period of up to 100 days**

Any amount may be invested by the CFO and CEO, provided that sufficient cleared funds remain in the Trust's main current account to cover at least one month's payroll costs at all times.

- **Deposits with a term or notice period of more than 100 days and up to and including 6 months**

The CFO may invest funds up to a maximum of 25% of the Trust's total cash balances.

Any investment, or combination of investments, that would cause this limit to be exceeded must receive prior approval from the Trustees.

- **Deposits with a term or notice period exceeding 6 months**

All such investments require prior approval from the Trustees, regardless of value.

The CFO is responsible for:

- Producing reliable cash flow forecasts
- Selecting appropriate investment products

- Ensuring compliance with this policy

All investment arrangements must operate on a dual-authorisation basis for placing, withdrawing or transferring funds

9. Monitoring and Reporting

The CFO will report to the Finance & Audit Committee at each meeting (or when requested) on:

- Funds invested and where they are held
- Maturity dates and notice periods
- Interest rates achieved
- Current forecast liquidity position (minimum 12 months)
- Recommendations for upcoming investment decisions