



## Investment Policy

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| Date approved:     | 13 May 2026                              |
| Review cycle/date: | Every three years: May 2029              |
| Party responsible: | Staffing, Finance and Premises Committee |
| Linked Policies:   | Financial Procedures, Reserves Policy    |

### Introduction

The Academy Trust Handbook 2025-26 includes guidance on the need to ensure that investment risk is properly managed. When considering making an investment, the board of trustees (governors) must:

- act within its powers to invest as described in its articles
- have an investment policy to manage and track their financial exposure, and ensure value for money
- exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
- ensure exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- ensure investment decisions are in the trust's best interests
- review the trust's investments and investment policy regularly

The board should follow the Charity Commission's guidance: CCI4 Charities and Investment Matters; a Guide for Trustees. Additionally, DfE's approval must be obtained for novel, contentious and/or repercussive investments

### Core parameters that will determine investment

The Swanage School is both a charity and a government funded body. In considering any investment the trustees must remember their obligations as custodians of public funding and their responsibility to provide for the children in their care. As such the overriding obligation on the trustees is to protect the school funds until such time as they are used to deliver education services. The balance of risk and reward should be heavily weighted towards investments with a low risk. This will limit the opportunities to generate significant investment returns, especially in a period of low nominal interest rates.

In line with the School's Reserves Policy and an average annual revenue over the next three years of c.£3.5 million the reserve fund will move towards an average balance of c.225,000. Investment funds will be by their very nature short to medium term and will need to be considered as an integral part of the school cash flow analysis. Based on these underlying limitations the following parameters should be applied in considering any investment.

- Funds should be restricted to investment in sterling denominated cash deposits.
- Funds should be invested in bodies that are authorised by the Financial Conduct Authority and qualify for depositor protection under the Financial Services Compensation Scheme.
- The maximum level of funds invested in one company should not exceed the authorised compensation limit. This limit is currently set at £120,000.
- That prior to the placing of any cash investment a comprehensive report is provided to the Staffing, Finance and Premises Committee setting out the investment proposal and its place within the wider school cash management plan.
- That the Staffing, Finance and Premises Committee are responsible for approving the placing of any cash within a new deposit account.

The Staffing, Finance and Premises Committee are responsible for the three-yearly review of the investment policy. As the school develops, the financial circumstances may change, especially if major capital works are planned, and this may create the situation for a more active investment policy.