



PYRAMID
SCHOOLS TRUST

Working in partnership, so future generations achieve, belong and contribute

Investment Policy

Edition 2: 02/07/2025

Document Control		
Edition	Issued	Changes from previous
1	24/05/2023	New policy. Approved by the Board of Trustees.
2	02/07/2025	Minor change to update reflect functions transferred to DfE following closure of ESFA Approved by the Board of Trustees

Review Cycle: Biennial (R&F Committee)

Review Date: May 2026

1 Aims

This policy aims to ensure that:

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

2 Legislation and guidance

The Academy Trust Handbook states that academy trusts are required to have an investment policy to:

- Manage and track their financial exposure
- Ensure value for money

This policy is based on the Academy Trust Handbook and guidance from The Charity Commission.

This policy also complies with our funding agreement and articles of association.

3 Roles and responsibilities

3.1 Academy trustees

Academy trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest as set out in our articles of association
- Exercise care and skill in investment decisions
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust

Trustees will seek prior approval from the Department for Education for investment transactions that are novel, contentious or repercussive.

Novel transactions are those of which the academy trust has no experience, or are outside the range of normal business activity for the trust.

Contentious transactions are those which might give rise to criticism of the trust by Parliament, the public, and the media.

Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications.

3.2 Finance committee

Academy trustees delegate responsibility for the trust's investments to the finance committee.

The committee is responsible for:

- Controlling and tracking financial exposure
- Reviewing the trust's investments
- Reporting to trustees on investments

3.3 The chief financial officer

The chief financial officer (CFO) is responsible for producing cash flow forecasts and for making decisions on investments. The CFO also provides information to the finance committee and academy trustees, as appropriate.

4 Investment principles

The Trust 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 95 days.

Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

5 Procedures

The following people are authorised signatories:

CFO; and Chief Executive.

Before any funds are invested, the 2 authorised signatories will sign to indicate they agree to the investment.

An investment authorisation form can be found in appendix 1.

The following information will be recorded about investments:

- Date
- Amount and description of the investment
- Length of investment
- Interest rates/expected return

The CFO will review interest rates and compare them with other investment opportunities annually.

Cash flow and current account balances will be monitored regularly by the CFO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments.

When there are funds surplus to immediate cash requirements in the current account, these will transfer these to an account with a higher interest rate.

Investments will normally be for a fixed term that does not exceed 1 year, unless there is a clear rationale for longer-term investment that would benefit the trust.

To manage the risk of default, investments should be spread by financial institution and be subject to a maximum exposure of £500,000 with any single institution, and as such only one with a UK banking licence and regulated by the Prudential Regulatory Authority (“PRA”) and the Financial Conduct Authority (‘FCA’). Whilst this exceeds the protection limit of £85,000 provided by the Financial Services Compensation Scheme, 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.

The risk of default of our main banking provider, National Westminster Bank (NatWest), is deemed to be low.

A working capital balance, equivalent to two months of payments, may be held on deposit in various interest-bearing accounts. The Trust will only invest in instruments with a rating of “Good” or better.

The CFO is authorised to use a third party platform to simplify cash management, thereby

Funds, and any interest earned on those funds, will be automatically reinvested unless money is required for immediate or anticipated expenditure.

6 Monitoring arrangements

The CFO monitors the implementation of this policy.

Once this Investment Policy has been approved by the Trust Board it shall be reviewed by the Finance Committee on an annual basis.

7 Links with other policies

This investment policy links with our policies on:

- Financial Regulations and Scheme of Regulation Powers

Appendix 1: Investment Authorisation Form

Date investment made		Duration of investment	
Amount			
Interest Rate		Expected return	
Description of investment			
Details of where the investment is held			
Signatory name (PRINT)		Signatory name (PRINT)	
Signature		Signature	
Date		Date	