



This policy governs the investment strategy of the North East Sheffield Trust and all establishments that constitute the Trust.

Date approved:

Signed: (Headteacher)

Signed: (Chair of committee)

Chapelton Road, Ecclesfield, Sheffield, S35 9WD
Telephone: 0114 246 1156

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Changes in this edition

Change to reflect current responsibilities. The School Accountant together with the Business Manager is authorised to withdraw and deposit funds.

Simplification of the text in the policy to reflect current practise.

Policy Statement

This policy governs the investment strategy of the North East Sheffield Trust (hereafter known as the Trust) and all establishments that constitute the Trust. The management of charitable funds and investments will comply with the requirements of the:

- Charities Act 2011;
- Trustee Act 2000;
- Financial Services and Markets Act (FSMA) 2000 and the
- Charity Commission

The charitable funds of the Trust are derived from direct government and local authority grants and are defined as restricted. Additional charitable funds are generated through the operational nature of the charity's work, such as providing education, training and development. Such funds are defined as unrestricted.

Policy Scope

This policy applies to all directors, governors, and employees of the Trust; a breach of the investment policy and procedure may result in disciplinary action.

Responsibilities

Finance Committee

The Finance Committee of the local governing body is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

The Business Manager is responsible for ensuring the School Accountant and Finance staff are aware of the investment policy, and for ensuring that the policy is followed for all investments held. The Business Manager together with the School Accountant is authorised to withdraw and deposit General Annual Grant (GAG) funds from and into liquid investments (Cash Deposits) to meet immediate working capital requirements, subject to the existing authorisation protocols.

Aims and Objectives

The investment objectives of the Trust are to:

- ‘ to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to risk that could impact the ability of the fund to meet future long-term financial commitments;
- ‘ provide an income to the Trust to help maintain its operational effectiveness in the short term.

The protection of present and future beneficiaries will be a key responsibility of the Trust.

Investment & Counterparty Risk

The Trust acknowledges that with investments there is a level of risk. The Trust will seek to adopt a prudent appetite towards risk by:

- ‘ Investing in markets where financial services are closely regulated and compensation schemes are in place;
- ‘ Avoiding speculative forms of investment;
- ‘ Investing in common investment.

Professional investment advice will be sought about the most suitable investments for the Trust and investments will be placed with suitably qualified investment managing agents.

Ethical Investment

The overarching principle of any investment strategy is to further the purpose of the Trust (provision of education). That purpose will ordinarily be best served by seeking the maximum return consistent with commercial prudence. The Trust will apply both positive and negative screening to influence the investment decision making process.

Positive screening

Investment (whole or part) will be made only in companies or sectors which reflect the values of the charity. For example, the existence of;

- ‘ Responsible employment practices;
- ‘ Best corporate governance practice;
- ‘ Sensitivity towards the communities in which the business operates.

Negative screening

The Trust will avoid and not enter into investments in companies or sectors undertaking particular activity or operating in a way which is consider to be detrimental or harmful to the interest of the Trust and its primary purpose.

Monitoring and Reporting Investments

The Trust will review the performance of the Investment Funds biannually, comparing performance against the market.

The Trust's annual report and financial statements will describe the investment policy used to select the Trust's investments as well as reporting on the performance of investments.

Policy Review

The Trust will review and publish this policy on an annual basis, ensuring that it remains accurate and fit for purpose.