



Investment Policy

Board approved and accepted
23 February 2023

Version 3

Investment Policy

Purpose of the Investment Policy

The overall investment objective is to maximise the return on invested funds while minimising risk and expenses.

Investment Strategy 2023/24

The Strategy shall be through placing funds to a maximum level agreed by the Board. Currently this is:

- £0.500m with the Council - terms to be agreed with the Council shall be for 2 years fixed term, with the annual interest rate accessible by the Council from the Bank of England at the time of investing. The investment will have a break opportunity clause at 1 year to allow the investment to be amended, for the remainder of the term, if the Trust's funding/ financial circumstances change significantly for the current position. Interest will be due payable at the end of the term;
- £0.250m with the Council - terms to be agreed with the Council shall be on a 1 year fixed interest rate, rolling forward as necessary, with an annual interest rate similar to the rate accessible by the Council from the money market on the date of transfer. Interest due payable as the invested funds are repaid, or at 6 monthly intervals, which ever sooner. This investment held with a view to locking into a longer term loan following further interest rate movements; and
- £0.250m with the Council - terms to be agreed with the Council shall be for 6 month fixed term, rolling forward as necessary, with an annual interest rate similar to the rate accessible by the Council from the money market on the date of transfer. Interest due payable as the invested funds are repaid, or at 6 monthly intervals, which ever sooner.
- £0.250m with the Council - terms to be agreed with the Council shall be for 1 month fixed term, rolling forward as necessary, with an annual interest rate similar to the rate accessible by the Council from the money market on the date of transfer. Interest due payable as the invested funds are repaid, or at 6 monthly intervals, which ever sooner.

Any other surplus funds shall be held by the Trust Banker's in an interest bearing account with suitable liquidity arrangements.

A working bank balance (through use of grouped Bank Accounts) shall be maintained by the Council on behalf of the Trust, as part of the daily cashflow, with a zero to very low risk tolerance to keep cash available for payment of expenses.

General Provisions

All transactions shall be for the sole benefit of the Trust. Any Trust investment will not be pooled with any other organisation, with each investment being available for review.

The Trustees shall consider updating this Policy annually, together with an update on performance of the Investment Portfolio over the previous 12 months, to be reviewed and monitored by the Audit and Risk Committee on an annual basis.

Any investment that is not expressly permitted under this Policy must be formally reviewed and approved by the Trustees before use.

If circumstances change during the year, an update report shall be brought to the Board for consideration.

The Trustees will endeavour to operate the investment program in compliance with all applicable legislation and regulations concerning management of investment.

Delegation of Responsibility – reliance on experts and advisors

The Trustees have ultimate responsibility for the investment and management of the excess funding and reserves, however the General Manager shall have authorisation to take the necessary action to invest funds as agreed by the Board.

General Investment Guidelines

Transactions shall be executed at reasonable cost, taking into consideration prevailing market conditions, services and research