Approved on	**20th July 2026**
Approved by	**Board of Trustees**
Next Review Date	**16th July 2029**

Change Record

Date of Change:	Changed By:	Comments:
15/07/26	JPT	Terminology changes.

Date of next review: 15/07/29

1. Introduction

The Board of Trustees may invest to further the SCITT's charitable aims, but must ensure investment risk is properly managed. When considering an investment the board must:

1.1. Act within its powers to invest as described in its articles;

1.2. Exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser;

1.3. Ensure exposure to investment producers is tightly controlled so security of funds takes precedence over revenue maximisation;

1.4. Ensure investment decisions are in the SCITT's best interests;

1.5. Review the SCITT's investments and investment policy regularly.

The board will follow the Charity Commission's guidance: [CC14 Charities and investment matters: A guide for trustees]().

2. Purpose and scope

The purpose of the Investments Policy is to set out the processes by which SCITT Trustees will meet their duties under the Charity Commission's guidance: [CC14 Charities and investment]()

matters: A guide for trustees to invest monies surplus to operational requirements in furtherance of the SCITT's charitable aims and to ensure that investment risk is properly and prudently managed.

3. Definition of duties

3.1. Whilst the Board of Trustees has responsibility for the SCITT's finances, the Scheme of Delegation approved by them delegates responsibility to the Finance Committee:

To monitor the Investments Policy to make recommendations with regard to managing, controlling and tracking financial exposure, and ensuring value for money; to review the SCITTs investments and investment policy on a regular basis

3.2. The CFO is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the Finance Committee so it can review and monitor investment performance.

4. Objectives

4.1. The investment objectives are:

4.1.1. to achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.

4.1.2. Only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.

4.1.3. By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

5. Investment strategy

5.1. Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

5.2. For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and/or Moody to show good credit quality.

5.3. To manage the risk of default, deposits should be spread by banking institutions and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA). Whilst this exceeds the protection limit of £75,000 provided by the FCA 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.

6. Spending and liquidity policy

6.1. Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Chief Finance Officer and Resources.

6.2. The cash flow forecasts will take account of the annual budget and spending plans approved by the Board of Trustees and updated on a monthly basis.

6.3. A sufficient balance must be held in the current account so that the SCITT's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

6.4. Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the SCITT.

7. Monitoring and review

7.1. The SCITT has authorised signatories, two of which are required to sign instructions to the bank in accordance with the scheme of delegation.

7.2. The Chief Finance Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance Committee and CEO at appropriate intervals, depending on the terms of the investments. For example, if investments are held one year then an annual report is appropriate.