Durham and Newcastle
Diocesan Learning Trust (DNDLT)
Company Number 10847279

Treasury Management Policy

Every child matters and no child is ever left behind..."

"Let the little children come to me, and do not stop them;
for it is to such as these that the kingdom of God belongs."
Luke 18:15-17

Policy Reviewed and Adopted by Board of Directors: 1st April 2026
Version: 9
Date of Next Review: March 2027
Responsible Officer: CFO/COO

Vision Statement

"Every child matters and no child is ever left behind"

Let the children come to me, and do not stop them; for it is to such as these that the kingdom of God belongs.

Luke +

At the DNDLT we believe everyone in our Trust is a child of God, adults and children alike. Every individual and every school matters, all are valued and celebrated, and no one should be left behind.

As a Diocesan Trust of the Dioceses of Newcastle and Durham we are here to serve children, and schools of all faiths and none. We welcome both Church of England and Community Schools to join us to serve our communities in the North East of England as part of our Trust family whilst remaining unique and distinct within their local context.

The Durham and Newcastle Diocesan Learning Trust is a place where we strive for the best outcomes for our children and staff. We work hard to achieve equity and flourishing for everyone. We want our staff and children to feel valued and celebrated given the opportunity to innovate and reach their full potential. We want our schools to be at the heart of their communities serving them in the way they know best, knowing they will be supported, encouraged and affirmed by a dedicated and specialist team.

Introduction

The purpose of this policy is to set out the processes by which DNDLT's Board of Trustees will meet their duties under the Trust's Articles of Association and the Academy Trust Handbook to ensure that funds are not invested in instruments that put capital at risk or are speculative in nature, and to invest monies surplus to day-to-day operational requirements in furtherance of the Trust's charitable aims.

In doing so, Trustees must:

- Act within their powers to invest
- Set investment objectives
- Set the parameters that deposit counterparties need to meet
- Consider the level of liquid cash required to be held either overnight or within current accounts
- Approve the type of products that the Trust can invest in and seek external guidance if required
- Define processes to manage and make investment decisions
- Ensure that investment risk is properly and prudently managed
- Monitor and review investments on a regular basis

The Trust will aim to manage its cash balances to provide for the day-to-day working capital requirements of its operations. In addition, the Trust will aim to invest surplus cash funds to optimise returns, ensuring the investment instruments are such that there is no risk to the loss of these cash funds and that all investments comply with the principles of regularity, propriety and value for money.

Compliance with statutory guidance

This policy has been developed in accordance with the Academy Trust Handbook (effective from 1 September 2025), the Trust's Articles of Association, the Trust's Funding Agreement, and the principles of HM Treasury's *Managing Public Money*. All treasury management and investment activity must comply with these requirements at all times.

Objectives

The objective of the Trust's investment strategy is to identify a level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives. Any investment decisions must be supported by a cashflow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day-to-day activities.

The Trust's investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To only invest funds surplus to operational need based on all financial commitments being met without the Trust's bank account becoming overdrawn
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds
- To have due regard to social, environmental, ethical and reputational considerations, ensuring that the Trust does not invest in organisations or activities that conflict with its values, charitable objectives, or could reasonably bring the Trust into disrepute.

By complying with this policy, all investment decisions will be exercised with care and skill and consequently, be in the best interests of the Trust.

All individuals must declare any conflicts of interest and remove themselves from decisions where impartiality could be compromised.

Responsibility & Implementation

The Trustees delegate the day-to-day responsibility for management and implementation of this investment policy to the Chief Finance Officer (CFO), who will ensure that investments are managed in accordance with this policy and that the performance of investments is regularly monitored.

Counterparty Restrictions

Investment risk will be managed through asset class selection and diversification with the aim of ensuring that security of deposits takes precedence over revenue maximisation.

Following the Banking Crisis in 2007/2008, The Bank of England has (through the FSA and latterly, the FCA and PRA) implemented changes to banking regulation and capital requirements of UK

FCA registered banks to ensure the stability of the UK Banking system. The Trust will therefore only make cash deposits with institutions holding a UK banking licence regulated by the FCA.

For institutions with an investment grade 'good' or better credit rating or implied credit rating, the Trust can deposit up to a maximum of £3,000,000 (plus interest accrued) across institutions. These ratings include:

- Baa3 / P-3 or better (Moody's); or
- BBB- / A-3 or better (S&P); or
- BBB- / F3 or better (Fitch); or
- An implied rating of BBB- or better.

The credit rating or implied credit rating will be checked at the time of placing a deposit with a new bank.

While implied credit ratings are usually the 'long-term' position, the Trust will normally only make 'short-term' deposits with a maturity date or notice period of 12 months or less, unless a clear rationale to the benefit of the Trust is provided for exceeding one year.

The Trust will look to further reduce its counterparty risk by adopting a suitably diversified portfolio by ideally having funds with at least two institutions.

The Trust will not invest in any organisation that conflicts with the Trust's values, could bring the Trust's reputation into disrepute, or that are high-risk, e.g. crypto-assets.

Please see Appendix A for an example of a monthly investment ratings comparative summary provided by Insignis Cash Solutions (cash management platform).

Assessing Liquidity Needs

The Trust will ensure that a sufficient balance is held across accounts with short term (instant or easy access) so that its financial commitments can be met without the risk of the current account going overdrawn. Sufficient flexibility to deal with reasonable, one-off events will be retained, should any such event occur.

Decisions on how much to invest and how long to invest for will be dictated by cash flow forecasts as presented to the Finance, Audit & Risk Committee. The cash flow forecasts will take account of the annual budget and spending plans approved by the Board of Trustees and will be reviewed monthly as part of the management accounts cycle and on maturity of fixed term deposits. The size of the balance to be retained in the current account will be determined by a forecast of future need and kept under review.

Investment Products

The Trust is able to invest any surplus funds (over and above the required day-to-day funds) in a mixture of interest-bearing accounts and money market facilities (where the capital is not placed at risk) including:

- Overnight (instant access / easy access)
- Notice accounts (typically from 30-days to 100+ days)

• Fixed term deposits (typically from 1-month to 12-months)

Investment maturity dates should not exceed 12-months in term unless funds are held for a specific future product with no risk of requiring access in the meantime.

It is recognised that funds cannot be accessed before the relevant period of notice is given or, for fixed term deposits, at maturity. The profile and restrictions of the most common deposit accounts are:

Easy Access:
− No notice needed to make withdrawals.
− Funds are usually returned overnight or within a few days
− Interest Rates are variable
Notice Accounts:
− No access without giving the required notice
− Interest Rates are variable
Fixed Term Deposits:
− No access until the deposit matures
− Interest Rates are fixed for the term

Implementation

The CFO is responsible for producing reliable cash flow forecasts as a basis for decision making and for implementing investment decisions in compliance with this policy.

The Trust has authorised signatories; one to instruct Lloyds Bank Treasury Team to place and withdraw funds and two to place deposits made via the Trust's cash management platform.

The CFO will maintain an investment register capturing all deposits, maturities, institutions, credit ratings and decisions. Please see Appendix B

The CFO will monitor the cash position and cash flow forecast, reporting on investments held and the performance of investments against objectives to the Finance, Audit & Risk Committee at appropriate intervals, depending on the terms of the investments.

Reporting should include:

• Funds invested
• Maturity dates
• Interest rates
• Latest cash flows showing 12-month liquidity requirements
• Recommendations for the next 3 months

Review

Trustees should review the Investment policy annually to ensure it remains fit for purpose.