TREASURY WORKS

Frequently Asked Questions

A guide for finance leaders, chief executives and trustees

A Reserves Management Service for Academy Trusts

Maximising Income for Pupils

Frequently asked questions

These are the questions academy trust's ask us most often. If your trust holds cash reserves in a current account earning little or nothing, what follows covers what the rules say, how your money stays protected, and how Treasury Works turns cash reserves and your monthly operational cashflow into income you can spend on pupils.

IS THIS ALLOWED?

1. Does the DfE allow us to do this with our trust's funds?

Yes. The Academy Trust Handbook is the DfE's financial framework, and compliance with it is a condition of your funding agreement, so this is settled ground rather than a grey area. Paragraph 2.23 (Investments and savings) of the Academy Trust Handbook 2026 states that the board may invest to further the trust's charitable aims. It goes beyond permission: when a board considers a savings account, it must "explore the feasibility of placing funds in high interest savings accounts." The Handbook also requires trusts to use resources efficiently to maximise outcomes for pupils (2.2), and it points boards to the DfE's own banking comparison tool and approved cash savings platforms. Large balances earning nothing sit awkwardly against the board's value-for-money duty. Treasury Works helps you meet that duty properly, with a policy your board can approve and evidence your auditor will accept.

2. Isn't investing public money risky or inappropriate?

Your funds are never at risk with the Treasury Works service. Paragraph 2.23 of the Handbook requires that "security of funds takes precedence over revenue maximisation." That principle is exactly what the Treasury Works service is built around. We don't buy shares, bonds or funds, and we don't chase yield. Your cash goes into interest-bearing deposit accounts with UK-authorised banks. Your capital isn't exposed to markets. What we place on deposit for you, you get back. The income comes from interest on money that was already sitting still, not from taking risk with funds you're accountable for.

KEEPING THE MONEY SAFE

3. Who holds and controls our money? Does Treasury Works ever touch it?

No. Treasury Works never holds, moves or has access to your funds, and we couldn't move a single pound if we tried. Your money sits in accounts held in the trust's own name. It moves only between your trust's current account and your trust's own account on the deposit platform. Your employees are the named approvers for any movement of funds. You maintain ownership and control of your funds at all times.

4. What protects the money if a bank fails?

Two things. The first is FSCS protection. Since 1 December 2025, the Financial Services Compensation Scheme covers eligible deposits up to £120,000 per depositor, per banking licence, if a UK-authorised bank fails, and it typically pays out within seven days. The second is diversification. We spread your reserves across a panel of banks to increase the level of protection your Trust is entitled to. Many Trusts hold funds solely with one bank meaning they can only access £120,000 of FCSC protection. Using the Treasury Works Service means you are likely to increase this by 8-10 times.

5. Do our funds ever leave the UK banking system?

No. Deposits sit only with UK-authorised banks, building societies and credit unions. There are no overseas holdings, no investment instruments, and nothing with capital at risk.

6. Is the platform itself regulated?

Yes. Deposits are placed through Flagstone Investment Management Limited, authorised and regulated by the Financial Conduct Authority (FRN 605504), one of the UK's largest cash deposit platforms. The regulated activity in the chain sits with the platform, which holds the appropriate FCA permissions to operate it.

HOW IT WORKS, AND HOW YOU EARN

7. How does Treasury Works actually generate income for us?

Most trusts hold well over £1m in reserves, plus monthly cashflow, sitting in a current account paying close to nothing. We map your cash across the year, work out how much can safely be committed and for how long, and place it in competitive easy-access, notice and short fixed-term accounts. Interest then accrues day by day on balances that were previously idle. As a rough guide, every £1m earning nothing costs a trust in the region of £3,000 a month at current benchmark rates. That's money that could go to staff, classroom IT or the estate.

8. Will we still be able to reach our money when we need it?

Yes. We build a twelve-month forecast around your real pattern of income and spend, hold an operating float in instant-access, and commit longer only where your calendar shows the money isn't needed. You set the parameters. Liquidity comes first; interest is earned on what's genuinely surplus. Funds will be moved back and forth between your bank and the platform multiple times every month to ensure you can meet your financial obligations.

9. Can we choose ethical or responsible banks?

Yes. Your board's investment policy can set exclusions and preferences, and we build the deposit panel around them, subject to what the platform offers. The Charity Commission's guidance for trustees, CC14, supports a responsible investment approach where it fits the charity's aims, so an ethical stance is fully compatible with the rules. Tell us what the board wants to avoid, or the restrictions you adhered to selecting your Trusts bank account, and we'll reflect it in the panel.

COST AND COMMITMENT

10. What does it cost, and how do you get paid?

Our fee is 5% of the investment income we generate for you, and nothing else. No retainer, no setup fee, no additional platform fee, no lock-in. If your trust earns nothing in a period, you pay nothing. The fee is deducted transparently and shown on your monthly dashboard, so you can always see what you earned and what it cost. Because we're paid only from income that wouldn't otherwise exist, our interests and yours point the same way.

11. What does it cost us to wait?

Every month you defer this is a month of income you don't get back. Interest is earned day by day, so a term spent deciding is a term of returns gone for good, not returns delayed.

The headline figure is simple: every £1m sitting in a current account earning nothing costs a trust around £3,000 a month at current benchmark rates. Reserves are only part of it, though. Your monthly funding also sits in the account for days or weeks before it's spent, and that cash can earn interest for every day it's there.

Take a trust of around 3,000 pupils, with roughly £18m of annual income. On reserves of, say, £2.5m, that's about £7,500 a month. On the operating cash moving through the account each month, day-weighted interest on the balances waiting to be spent typically adds a further £2,000 or so. Together that's in the region of £9,500 a month, or roughly £115,000 a year, that a trust of this size is commonly leaving unearned.

On numbers like these, waiting a full year costs six figures, and waiting a single term still costs tens of thousands. None of it is recoverable later, which is why the free review is worth doing now rather than next term.

12. Is Treasury Works FCA-regulated? Does it need to be?

Treasury Works provides administration and consultancy, not regulated financial services. Arranging cash deposit accounts isn't a regulated activity, because cash deposits with banks aren't “specified investments” under the relevant financial services legislation. The regulated activity in the chain, running the platform, is carried out by Flagstone, which is FCA-authorised. Any marketing we put in front of you is approved through an FCA-authorised firm, as the rules on financial promotions require. As with anything touching regulation, your board should be comfortable taking its own advice, and we're happy to share our documentation to support that.

GOVERNANCE, AUDIT AND REPORTING

13. What does the Trust approve, and how does the governance work?

Your Trust approves two things at the outset: an investment policy and the investment strategy we tailor for your trust. We draft both. After that, no deposit is placed without authorisation from your named approvers, and everything sits within your existing scheme of delegation. You're never asked to hand over control, only to approve decisions with the full picture in front of you. Investments don't take place without Trust sign-off.

14. How does this fit our audit, accounts and reporting duties?

Our service is designed by an academy trust CFO specifically to fit them. You get a DfE-compliant investment policy for approval, an investment strategy with no/low/medium/high risk options, a monthly dashboard showing your live position and income returns, a termly report written for trustees and the finance committee, an annual report for your auditors aligned to the Accounts Direction, and an investment narrative drafted ready for your annual Trustees' Report. We also prepare the monthly accounting journal for your finance system. The Handbook's requirements for trusts that invest, an investment policy, value for money, and regular review, are delivered by the service rather than left for you to create.

15. Does this create extra work for our finance team?

The opposite. The modelling, the deposit paperwork, the rate and maturity monitoring, the reporting and the journals are the work, and that's precisely what we take on. Your team authorises decisions and receives ready-made board and audit documents. Most trusts don't have the capacity to run a treasury function in-house, and building one carries real salary, recruitment and key-person risk. This gives you the function without the overhead or the associated risk.

16. What's involved in getting started?

We ask you to complete a form giving us details about your reserves and cashflow. We model what your trust could realistically earn and show you four investment strategies to adopt based on your agreed risk appetite. We show you the numbers before you commit to anything. The review costs nothing and carries no obligation. If the Trust decides to proceed, we handle the setup around your own approvers and signatories.