Investment Policy

The BSC is a registered charity and in accordance with Charity Commission guidance is required to have an investment policy which covers:

- the Charity's investment powers;
- its investment objectives;
- its attitude to risk;
- how much is available for investment, timing of returns and liquidity needs;
- the types of investment it wants to make, including any ethical considerations;
- who can take investment decisions;
- how investments will be managed and benchmarks and targets set for judging performance; and
- reporting requirements for Investment Managers

The charity’s investment powers

Under its Constitution, the Company (BSC) may:

- invest any money that the Company does not immediately need in any investments, securities or properties
- permit any investments belonging to the Company to be held in the name of any clearing bank, trust corporation or stockbroking company which is a member of the Stock Exchange (or any subsidiary of any such stockbroking company) as nominee for the Company and pay any such nominee reasonable and proper remuneration for acting as such else within the law which promotes or helps anything.

Its investment objectives

The BSC seeks to invest its assets ethically (see below) and preferably such that they maintain value in line with inflation if this is compatible.

Its attitude to risk

The BSC has limited assets with a relatively low potential to replace lost funds and low reserves and so perforce is risk averse in financial terms. It will consider risk associated with its core aims and objectives of increasing education about crime and criminal justice.

How much is available for investment, timing of returns and liquidity needs

The BSC has set its reserves at a level at least equivalent to three months' operational expenditure and has done so having regards to its manner of operation and likely funding streams. The reserves level includes staff salary and pension costs and other general running costs on average based on median year-on-year increases, together with the potential for each of its regional groups and specialist networks to draw on the £1,000 annual budget agreed as policy, while acknowledging that many of them do not. The reserves amount also recognizes the imbalanced payment-due dates of some of its main payments – i.e. the printing costs of journals both fall due in the early months of the calendar year. The Society's main income streams are variable in nature with fluctuation in membership subscriptions and annual conference income. While reserve money can be invested, this money should be retrievable in the event of need and investment maturation dates should be set with this and regular payment due dates in mind.

The types of investment it wants to make, including any ethical considerations

The BSC Executive Committee decided in 2012 to invest in savings accounts marked as ethical. Ethical accounts are accounts that seek to have no negative impact on the environment or on society. The banks that run ethical accounts do not invest in industries or companies whose practise is against the ethical code of the bank. Ethical banks also take positive action, where possible promoting environmental and social progression. However, as it is recognised that different organisations have different ethical priorities, the charity is obliged to check specific ethical considerations with each investment.

Who can take investment decisions

Investment decisions will be made by the whole of the Executive Committee on recommendation of the Treasurer. The members of the Executive Committee are, according to the Constitution, indemnified for loss to the property of the Company arising by reason of improper investment made in good faith (so long as he or she shall have sought professional advice before making such investment) or for the negligence or fraud of any agent employed by him or her or by any other member hereof in good faith (provided reasonable supervision shall have been exercised) although the employment of such agent was not strictly necessary or by reason of any mistake or omission made in good faith by any member hereof or by reason of any other matter or thing other than wilful and individual fraud, wrongdoing or wrongful omission on the part of the member who is sought to be made liable.

How investments will be managed and benchmarks and targets set for judging performance

Investments will routinely be managed by the Treasurer assisted by the Company Secretary and they will be the signatories to any investment products. The length and type of each account will be agreed by the Executive Committee and reports will be given either at the end of each fixed rate investment or at each Executive Committee meeting for any variable rate investment.

Reporting requirements for Investment Managers

Under its Constitution, the Company may delegate upon such terms and at such reasonable remuneration as the Company may think fit to professional investment managers ("the Managers") the exercise of all or any of its powers of investment provided always that the Managers shall be authorised to carry on investment business under the provisions of the Financial Services Act 1986 as superseded by The Financial Services and Markets Act 2000; the delegated powers shall be exercisable only within clear policy guidelines drawn up in advance by the Company; the Managers shall be under a duty to report promptly to the Company any exercise of the delegated powers and in particular to report every transaction carried out by the Managers to the Company within 14 days and report regularly on the performance of investments managed by them; the Company shall be entitled at any time to review, alter or terminate the delegation or the terms thereof; the Company shall be bound to review the arrangements for delegation at intervals not (in the absence of special reasons) exceeding 12 months but so that any failure by the Company to undertake such reviews within the period of 12 months shall not invalidate the delegation; and the Company shall be liable for any failure to take reasonable care in choosing the Managers; fixing or enforcing the terms upon which the Managers are employed; requiring the remedy of any breaches of those terms and otherwise supervising the Managers but otherwise shall not be liable for any acts and defaults of the Managers.

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