Glemsford Parish Council Investment Policy

Introduction and Key Points

Glemsford Parish Council (the PC) has a responsibility to wisely invest reserves and surplus funds which are not immediately required to meet expenditure.

This strategy has been prepared in accordance with the Statutory Guidance on Local Government Investments, issued under Section 15(1) of the Local Government Act 2003 and effective from 1st April 2018 (3rd edition)

The guidance applies to PC's where its total investments exceed or are expected to exceed £100k.

It is important to minimise the PC's risk of loss of income. The FSCS (Financial Services Compensation Scheme) had until recently set its limit at £100k in any one bank (or banking group) this was lifted to £120k in early 2026.

As the Parish Council holds over £120k it was decided to open an additional bank account with a separate bank and to transfer some funds across.

Under Review

Investment Objectives

Investment priorities should provide sufficient ease of access and profit. Any investments will be made in sterling.
The Department for Communities and Local Government (DCLG) maintains that borrowing of monies purely to invest or lend and make a return is unlawful and the PC will not engage in such activities.

Specified Investments

Specified investments are those offering high security and high liquidity, made in sterling and with a maturity date of no more than 1 year. The PC will use.

- Deposits with banks, building societies, local authorities or other public authorities
- Other recognised funds specifically targeted at the Public Sector

The PC has a current account and savings account (previously referred to as the Deposit Account) with Lloyds Bank current account and savings account with Unity Bank.

The PC is sole trustee of Glemsford Village Hall and holds a bank account with Lloyd's bank for the village hall. Finance is reported to the PC at each PC meeting.

Agreed on …… Minute ref: …… Date to be reviewed ……Signed……..

In March 2026 the use of the two bank accounts was agreed as follows

- Lloyds Bank Current account for the Village Hall
- Lloyds Bank savings account for earmarked funds for the PC
- Unity Bank current account for the Parish Council
- Unity Bank savings account for the PC's general reserves and operating costs, to include holding a portion of the precept to attract a better interest rate.

Both banks charge for their current accounts. Funds can be moved or withdrawn as required and monthly interest will be recorded monthly and reported on at PC meetings and then allocated each year.

Each year the RFO will report on investment activities to the PC.

Loans and investments

Whilst a Local Authority may choose to make loans to local enterprises, charities and joint ventures as part of a wider strategy for economic growth, these are considered high risk and as such the PC will not enter into such arrangements.
The PC does have a Public Works Board Loan for the extension and modernisation of Glemsford Village Hall, and this is paid in two instalments each year.

The PC will not take part in investments on the money market, stocks or shares.

Liquidity of investments

The PC will take advice of the Responsible Finance Officer in determining the maximum periods for which any funds may be committed so as not to compromise ease of access or the running of the PC.

Risk

The PC is mindful that monies must be carefully managed, and there is a balance between having funds available for Council activities and making the most of funds from the Public Purse.
The Council will carefully consider the risks of any investments before proceeding.

Review of Strategy

The strategy will be reviewed periodically and before instigating any further investment.

Agreed on …… Minute ref: …… Date to be reviewed ……Signed……..