Little Canfield Parish Council Investment Strategy 2026

The Local Government Act 2003 S15 (1) (a) mandates that parish and town councils must "have regard" to the Guidance issued by The Secretary of State regarding investments.

It is noted that the FSCS now protects funds up to £120,000.

As this parish council generally holds funds in excess of £100,000 it has produced this strategy document.

The parish council banks with Unity Trust Bank and holds a T1 Current Account and an Instant Access Interest bearing account, currently set at 2.10% AER with interest paid quarterly.

The council maintains minimal "general working funds" in the T1 current account each month to ensure the expected and planned billing can be met; when that account balance drops below an agreed set point and or when required, as identified by the RFO, funds are transferred internally from the Instant Access Account to the T1 Current Account as per Financial Regs procedures and the Bank's operating system.

The council maintains a general reserve of 50% of its usual and budgeted annual working costs.

Various earmarked reserves account for the majority of the held funds with the Precept providing the funding for monthly expenditure plus any additional budgeted items / projects.

Whilst there are no longer term external investments at present the council would consider additional, suitable or approved for local government accounts with FSCS protection, up to the current £120,000 threshold, for current held funds in excess of £120,000.