Financial Portfolio to July 2026

Thurston Parish Council

Paper: Paper Financial Portfolio – Agenda Item 5a
Reason: To review the business banking arrangements and deposits held
Period covered: 1st April 2026 to 31st March 2027
Presented to Council: Policy and Resources Committee Meeting
Date: 29th July 2026
Author: Responsible Financial Officer (RFO)

Summary

The Responsible Financial Officer reports on the Council's business banking arrangements and the deposits held with various financial institutions.

All investments of money are under the control of the Council and are in the name of the Council. All are classed as short term investments and offer high security and high availability, are made in sterling and mature within one year.

Background

Council's investment policy as approved in February 2025, sets out the criteria as to how the Council will manage its monies with regards to cash flow requirements, fund diversification and investment optimisation.

Policy

This policy sets out how the Council manages its monies with regards to cash flow requirements, fund diversification and investment optimisation.

The Council's priorities will centre on managing the risks associated with investment by prioritising security above the other two investment criteria.

- Security - in recognising the Council's responsibility to Council Taxpayers, the parish council will seek to ensure all investments are made with a body or an investment scheme which has been awarded a high credit rating by a credit agency in comparison with other financial institutions.
- Liquidity - whilst the Parish Council may invest funds in either short term or long-term investment products, the presumption will be that it will maintain high levels of liquidity and seek investment generally for a period of up to 12 months.
- Return - this will depend upon the investment options available at any one point in time.

In accordance with the Council's Climate Emergency Declaration, ethical investment opportunities which seek to positively contribute to the environment will be considered alongside yield, subject to any such investment complying with the statutory guidance as outlined in this document.

In Practise

The Council's **investment policy** to meet the objectives is to invest only in high security and high liquidity funds, denominated in Sterling and with a maturity of no more than one year.

Fund security – only institutions with FSCS protection (up to £120,000 per institution from 1 December 2025) or a high credit rating (i.e. A rated and above) should be used.

Liquidity – the Council will retain not less than 3 months' average working capital in current and deposit accounts with immediate access. This figure should be reviewed regularly especially if large items of expenditure are expected. Any excess above working capital is treated as surplus funds.

Investment returns – working capital. The balance in the current account should be maintained at a level sufficient to meet the monthly payments and the remainder held in the savings accounts to optimise returns.

RESPONSBILITY FOR BALANCES

The Responsible Financial Officer is responsible for maintaining balances within the parameters of council's adopted Financial Regulations and the adopted Investment Strategy. Balances are reported each month to full Council in the financial report.

As large deposits, such as precept and CIL or movements between accounts usually occur at the end of the month, the Responsible Financial Officer may hold a balance greater than the maximum specified for a limited period, until a transfer can be made. Where this occurs, it will be noted in the financial report.

Account Management Arrangements

This section sets out the current and savings accounts at 24th July 2026

Institution	Account	Amount	Interest rate AER%	FSCS eligible?
Lloyds	Current	£187,976.52	0.00%	Yes, but capped at £120,000
	Savings	£600,698.22	0.70%	
Redwood Bank	Savings	£119,564.62	3.20%	Yes but capped at £120,000
Unity Trust	Savings	£42,933.80	0.00%	Yes, but capped at £120,000
	Deposit	£121,103.29	1.96%	

Other Investments

Institution	Account	Deposit Amount	Maturity Date	Gross Interest Rate	Interest Amount
Lloyds	181 days Term	£85,000	5th March 2026	2.24%	£944.18
Lloyds	186 days Term	£85,000	7th September 2026	2.04%	£883.63

Recommendation to Committee from the Responsible Financial Officer

That the fund balances be so noted