MELBOURN PARISH COUNCIL

Doc. No.: 4.32
Date approved: November 2026
Review date: April 2027

POLICY AND PROCEDURE: INVESTMENT PLAN 2027-28

2027-28 Investment Plan- (Nov 2026)

The Investment Plan is reviewed annually, changes in the economic climate may give rise to half yearly reviews to ensure that the investments are making the best return for the Parish Council and are accessible when required.

Funds Available for Investing

MPC has approximately £880,104 of cash funds available during 2026/27 (see table below):

Bank Account	Terms	Amount 30.09.26
Unity Trust Current	Instant Access	213,508
Unity Trust Savings	Instant Access	134,807
CCLA Public Sector Deposit fund	Instant Access	270,547
Charity Bank	1 year fixed	33,290
Cambs & County	1 Year Fixed	100,000
Nationwide 45 day saver	45-day notice	127,952
		880,104

Source	Balance at 30.09.26	Comments
General Reserve	£207,579 of which £199,268s equivalent to 6 months expenditure.	Easy access required in case of emergency need – We are only required to maintain 6 months trading; however, this does not consider the remaining spend
Asset Management Reserve	£105,592	Projects to be reviewed
s106 Reserve	£173,495	Have looked at reserves breakdown below

Reserve	£
Power Pitch Grant	**1,920**
Melbourn Hub	**13,729**
Salary Reserve	**26.071**
Hopkins Homes	**45,460**
Old Rec Easement funds	**5,000**

S106 Community Transport	**25,055**
Deferred Expenditure	**26,264**
Timebank & Macs	**547**
Election Reserve	**2,550**
MAYD	**19,515**
Community Benefit Fund	**23,864**
Section 106	**173,495**
Martins Charity	**22**
Asset Management Reserve	**105,592**
Forward Planning	**16,000**

Table of Fund investments to consider:
The table below shows how I believe we can prudently split the funds based on the reserves and the plans. This is not necessarily how it will be split taking into consideration the available accounts and risks.

Source	Instant Access	45 day notice	100 day notice	6 months	1 year
General Reserve	100,000	35,000	35,000	37,579	
Asset Management Reserve		30,000		10,000	65,592
S106 Reserve	5,000	24,165	24,165	24,165	96,000
Other Reserves – (£205,996)	50,000	40,000	40,000	40,000	35,997
Current Asses & Liabilities	187,442				
Total	342,441	129,165	99,165	111,744	197,589
Current Portfolio	618,862	127,952			133,290

This above Recommendation has considered the remaining 2026/27-year plan and potential spend in 2027/28 and is prudently placed.

- The majority of MPC's available funds should be kept readily accessible with a maximum of 100 days notice.
- It should be possible to invest for longer terms based on plans and obligations part of the AMR, s106 reserve and any reserves which are maintained for periods in excess of 1 year.
- The Investment Plan should be reviewed as MPC's plans for spending s106 and AMR and obligations are agreed to ensure that funds are available when required.
- It should be appropriately placed in line with the village plan and strategy.

Economic Climate

Bank of England base rate is currently 3.75% the next review is the 5th November 2026 it is predicted that this will increase to 4% the budget announcements made were not significant. It is expected to increase due to market volatility.

MPC has £305,367 invested in four accounts – see breakdown below.

Review of existing investment performance:

Institution	Product	Current Investment	Notice Period	Yield(at 2 Nov 26)	FSCS Yes/No	Credit Rating
CCLA	Public Sector Deposit Fund* (money market fund)	£270,547	On demand	3.89%	n/a	AAAmmf (Fitches) Unchanged
Nationwide (issue 1)	45 day Members Business Saver deposit account	£127,952	45 days	2.45%	Y	AA3 (Moodys) Unchanged
Charity Bank	40 day ethical notice	£33,290	40 day	3.04%	Y	-
Cambs & County	1 Year Fixed	£100,000	1 year	4.90%	Y	

*The Public Sector Deposit Fund is a money market fund specifically designed for the Public Sector. It invests in a diversified portfolio of high-quality sterling denominated deposits and instruments. Its primary aim is to maintain the net asset value of the fund at par. The purchase of shares in the PSDF is not the same as investing in a bank deposit account and is not a guaranteed investment. There is a risk that the value per share may fall below face value.

Investment Options for remainder 2026/27

A review of available investments, open to Parish Councils, which meet MPC's Investment Strategy requirements was undertaken

The **best yields** currently available to Parish Councils are:

Institution	Product	Minimum Investment	Notice Period	Yield (at Feb 2023) Fixed/Variable	FSCS Yes/No	Credit Rating
Charity Bank	Ethical 40 day notice	£1,000	40 days	2.86%V for bals>£25k 3.04%	Y	-
Charity Bank	Ethical 1-Year & 9 Months Business Fixed Rate	£10,000	Matures 1 Year or 9 months	3.91% F	Y	-
Charity Bank	Ethical 100- day notice	£1,000	100 days	2.89% >£25,000 3.07%	Y	-
Cambridge & Counties Bank	1 yr fixed rate business bond	£20,000	Matures 1 yr	4.90% F	Y	-

Cambridge & Counties Bank	30 day notice	£10,000	30 days	3.70% variable	Y	
Cambridge & Counties Bank	95 day notice	£10,000	95 days	4.00% variable	Y	
Cambridge & Counties Bank	6 months fixed rate bond	£20,000	Matures 6 months	4.50% fixed	Y	

MPC currently has £531,789 invested.

The available additional funds for investment is approximately £348,315

There are a number of accounts that are not suitable for parish councils so spreading the risk is difficult. We hold a large amount in Unity Trust Bank.

Of MPC's existing investment accounts, CCLA is performing well and Nationwide is currently lower than compared to the best new offerings. The Cambs & County investment is performing well.

Cambridge & Counties Bank are offering good returns although one account requires 95 days they do a 6 month fixed. CCLA offers instant access with a higher yield, however there is risk attached to this account. Cambridge & Counties 1- year fixed rate business bond is the best return currently available to Parish Councils.

Other High street banks do offer savings accounts and the interest rate is significantly lower. This will reduce the overall risk.

Investment Plan Recommended for remainder of 2026/27:

CCLA PSDF – this investment is currently performing well. MPC has an investment of £270,547. Note that this investment is not the same as a bank deposit. The additional amount from Unity has been moved.

Nationwide 45 day business saver – MPC should reduce the amount held in the account to the FSCS limit of £85,000. – We have requested this but we are having issues with the bank.

Charity Bank 40 days – This account holds £33,290 and should remain. Consider increasing and placing some in the 9 month account.

Cambridge & Counties Bank 1 year fixed bond – this investment will be renewed in November 2025 with and increased to £100,000.

For agreement:
Approach other banks to review the offerings to spread the risks, review the Nationwide account. Consider depositing into the Debt Management Account Deposit Facility (DMADF)

Explore the possibility of investing in an asset within the community. This would reduce the risk of the £85k and bring in a different type of revenue stream – possibly higher than bank interest rates.

Liquidity breakdown of suggested investments:

	Instant Access	40-45 days	100 days	6 months	1 year
% of funds	39%	15%	11%	13%	22%

The proposed investment plan spreads investments between institutions and account types which spreads risk via diversification.

All investments should be reviewed in November 202 subject to maturity of bonds or earlier if there is a significant change in interest rates, perceived risk of financial institution failure or economic climate.

Document Approval: 

(Chair to Melbourn Parish Council)

Date of Parish Council meeting: 25 November 2026

Review: 1 year (6 monthly interim review)