

# **PORLOCK PARISH COUNCIL ALLOTMENT TRUST FUND POLICY**



**This policy relates to the Allotment Trust Fund, and how Porlock Parish Council will deal with proceeds accrued from dividends received from the UK Government Treasury Stock investments and any interest paid on the Allotment Trust Account.**

## **Background**

In 1976, Porlock Parish Council sold an area of land at the village end of Bossington Lane, which had previously been used for allotments. The land was sold and Council invested the proceeds into UK Government Treasury Stock which was known as the Allotment Trust Fund.

## **1 DEFINITIONS**

- 1.1 Allotment Trust Fund refers to the funds used to purchase Treasury Stock Gilts.
- 1.2 Allotment Trust Reserve Account refers to the account used to receive dividends from the Allotment Trust Fund.

## **2 OBJECTIVES**

- 2.1 This policy should be read in conjunction with Porlock Parish Council's Investment Policy.
- 2.2 The Allotment Trust Fund should be used to provide capital and income and shall be held in the form of gilts with the UK Government Treasury Stock.
- 2.3 The Allotment Trust Reserve Account shall be held in highly rated UK bank and building society deposit accounts in pounds sterling, where the combined total of deposits in any one bank shall not exceed the sums protected under the Financial Services Compensation Scheme (currently £85,000).
- 2.4 Two thirds of the annual returns (dividends and interest) will be used to fund local grants applications solely for the benefit of the local community. Annual funds will be held in the Grants & Sponsorship Earmarked Reserve.
- 2.5 One third of the annual returns (dividends and interest) will be reinvested in UK Government Treasury Stock gilts to provide additional capital and income.
- 2.6 No later than at the end of each financial year the RFO will advise the finance & HR committee on the funds available for transfer to the Grants & Sponsorship Earmarked Reserve and for reinvestment.
- 2.7 This policy shall be under the oversight of the Finance & HR Committee.

## **3 REVISION OF POLICY**

- 2.1 Any revisions to this policy shall be approved by the Council.
- 2.2 The Finance & HR Committee shall review this policy annually and recommend any proposed changes to Council prior to the commencement of the new financial year. Where no changes are proposed, Council shall note the policy.

Duncan McCanlis  
Chair

Dated: 12<sup>th</sup> February 2025

Johnathan Jones  
Clerk & Responsible Financial Officer