



Date: 19 June 2017

Title: Reinvestment of funds

Purpose of the Report: To receive an update regarding Investments.

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Corporate Objective/s	LLTC Three Year Plan – To consolidate processes and procedures, ensuring operational efficiency.	
Implications:		
Financial	√	
Human Resources		
Operational/Service delivery		
Procedural/Legal		

1. RECOMMENDATIONS

1.1 Should Members be so minded:

- i) To reinvest the existing Nationwide Business One Year Fixed Rate Saver into either:
 - a) Nationwide 12 Month Fixed Rate Account which is currently offering 0.75% AER/Gross per annum as highlighted in table 4
 - or
 - b) Santander 12 Month Time Deposit which is currently offering 0.85% AER/Gross per annum as highlighted in table 4
 - or
 - c) To split the £1,011,000 across Santander and Nationwide to minimise risk.

2. UPDATE REGARDING EXISTING INVESTMENTS

In accordance with best practice, a review has taken place of bank accounts in order to identify the most preferential bank rates which meet the needs of the

town council. As members are minded, the Town Council's Investment policy is predicated on liquidity and the need to invest in a UK registered bank for which the following accounts comply:

2.1 Existing Investments:

Table 1

BANK	DATE	BALANCE	ANNUAL GROSS INTEREST	INTEREST PAID
Santander Everyday Saver 1	31/05/2017	£266.45	0.10%	Monthly
Santander Everyday Saver 2	31/05/2017	£544,220.88	0.10%	Monthly
Santander Everyday Saver 3	31/05/2017	£166.27	0.10%	Monthly
Nationwide Instant Saver	31/05/2017	£408,060.02	0.40%	Annually
Nationwide Business One Year Fixed Rate Saver	Matured	£1,011,000		Annually
NatWest Business Account	31/05/2017	£902,580.97	0.01%	Quarterly

Precept 2017-2018 - £2,115,211

The first instalment of **£1,057,606** was paid into the NatWest Business Account in April 2017.

3. Short term Instant Access Investment options currently available:

Table 2

BANK	TYPE OF ACCOUNT	TERM	INTEREST RATE
NatWest	Deposit Account	Instant	0.10%
Santander	Instant Account	Instant	0.15%
	95 Day Account	Notice	0.40%
Nationwide	Instant Account	Instant Access	0.40% annual 0.35% monthly
	95 Day Notice Account	Notice	0.55% annual 0.50% monthly

4. Longer term Investment options currently available:

Table 3

BANK	TYPE	TERM	INTEREST RATE
NatWest	12 Month Fixed Rate	Fixed	0.42%
Santander	6 Month Time Deposit	Fixed	0.70%
	12 Month Time Deposit	Fixed	0.85%
Nationwide	6 Month Fixed Rate	Fixed	0.55%
	12 Month Fixed Rate	Fixed	0.75%
Lloyds	12 Month Fixed Rate		Not available
	24 Month Fixed Rate	Fixed	0.55%