



Date: 18 June 2018

Title: Investment update.

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

Contact Officer: Clare Cummins, Finance Officer

Corporate Objective/s	LLTC Three Year Plan	
Implications:		
Financial	√	
Human Resources		
Operational/Service delivery		
Procedural/Legal		
Risk/Health and Safety		

1. RECOMMENDATION/S

Should members be minded, the proposals are:

- 1.1 To reinvest the existing Santander 12 Month Time Deposit, that is maturing on 11 July 2018 to the value of £1,055,970 into either:**
- a) Nationwide Business One Year Fixed, currently offering 0.90% Gross AER, as shown in table 2.
or
 - b) NatWest Fixed Term Account, currently offering 0.73% Gross AER, as shown in table 2.
or
 - c) To split the £1,055,970 across Santander (a) and Nationwide (b) 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 Longer Term Investments:

Table 1

BANK	AMOUNT INVESTED	INTEREST RATE	DATE OF MATURITY	INTEREST PAYABLE	TOTAL REPAYMENT
Santander 12 Month Time Deposit	£1,047,070	0.85%	11/07/2018	£8,900.10	£1,055,90.10
Nationwide Business 1 Year Fixed Rate Saver	£505,500	0.75%	10/10/2018	£3,719.25	£509,291.25

2.2 As table 1 sets out, the Santander 12 Month Time Deposit account matures on 11th July 2018. This provides the Town Council with an opportunity to revisit the market in order to secure the account considered most advantageous to the Town Council. As set out at Recommendation a), the Nationwide Business One Year Saver account currently offers the most competitive rate of interest. However, in order to minimise exposure, there is no reason why a hybrid investment approach couldn't be adopted which would see monies split between the Nationwide and NatWest for example.

3. LONGER TERM INVESTMENTS OPTIONS CURRENTLY AVAILABLE:

Table 3

BANK	TYPE OF ACCOUNT	TERM	INTEREST RATE
NatWest	12 Months	Fixed	0.73%
Santander	12 Month Time Deposit	Fixed	0.60%
	18 Month Time Deposit	Fixed	0.80%
	24 Month Time Deposit	Fixed	1.05%
Nationwide	Business 95 Day Notice	Notice	1.00% variable
	Business 1 Year	Fixed	0.90%