



Policy & Finance Committee

Date: 17 June 2019

Title: Financial Banking Arrangements.

Purpose of the Report: To consider operational arrangements regarding day to day banking.

Contact Officer: Clare Cummins, Finance Officer

| Corporate Objective/s | LLTC Three Year Plan | |
|---|----------------------|---|
| Implications: | | |
| Financial & Operational/Service Delivery | √ | To maximise the return on monies invested whilst not compromising the Town Council's ability to continue to function. |
| Human Resources | X | |
| Procedural/Legal | X | |

1. RECOMMENDATIONS

Should members be minded, the proposals are:

- a. To transfer the annual precept (which is paid in two instalments, first in April 2019 and second in September 2019) from the NatWest Business Reserve Account to the existing Nationwide Instant Access Saver Account currently paying 0.65% as shown in Table 1.
- b. To endorse that funds continue to be drawn down from the Nationwide Instant Access Saver Account and transferred to the NatWest Business Reserve account to fund the Monthly expenditure, as and when required throughout the year.
- c. That the arrangements above be reviewed upon receipt of the first tranche of the precept for 2020/21.

2. INVESTMENT OF PRECEPT

- 2.1 The annual precept for 2019/20 is £2,162,328 which is paid in two instalments, the first payment was in April and second is in September.

- 2.2 The precept is paid directly by Central Bedfordshire Council into the Town Council's NatWest Business Reserve Account, which is currently paying 0.05% interest.
- 2.3 We are unable to invest all of the precept into a Long-Term Investment Account as the majority is used to pay the council's running costs for the year.
- 2.4 Therefore, to gain a better rate of interest on the bulk of the precept whilst ensuring funds remain easily accessible, it should be transferred to another suitable account.
- 2.5 Options currently available to invest the precept are as outlined in Table 1 below:

Table 1

| BANK | TYPE OF ACCOUNT | TERM | INTEREST RATE | COMMENTS |
|-------------|------------------------|----------------|----------------------|-------------------------|
| NatWest | Business Reserve | Instant Access | 0.05% | Precept paid in by CBC. |
| Santander | Instant Access | Instant Access | 0.35% | |
| Nationwide | Instant Access Saver | Instant Access | 0.65% | Existing account. |

3. OPERATIONAL BANKING ARRANGEMENTS

- 3.1 In order to ensure funds are available to meet anticipated expenditure, funds are transferred throughout the year from the Nationwide Instant Access Saver account to the NatWest Business Reserve account (see diagram below).
- 3.2 All account balances are shown on the regular Cash and Investment Reconciliation report.
- 3.3 The Committee is asked to endorse that this procedure continues, to ensure that sufficient funds are available in the NatWest accounts for short term anticipated expenditure.