

Policy & Finance Committee

Date: 4 May 2021

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		
Implications:		
Financial & Operational/Service Delivery	√	To maximise the return on monies 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 2021 and second in September 2021) from the NatWest Business Reserve Account to the existing Nationwide Instant Access Saver Account currently paying 0.05% as shown in Table 1.
- b. To endorse that funds 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 2022/23.

2. INVESTMENT OF PRECEPT

- 2.1 The annual precept for 2021/22 is **£2,271,388** 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 0.01% interest.

- 2.3 We are unable to move the precept into a Long-Term Deposit 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 move the precept are as outlined in Table 1 below as quoted 27 April 2021:

Table 1

BANK	TYPE OF ACCOUNT	TERM	INTEREST RATE	COMMENTS
NatWest	Business Reserve	Instant Access	0.01%	Precept paid in by CBC.
Santander	Instant Access	Instant Access	0.01%	
Nationwide	Instant Access Saver	Instant Access	0.05%	Existing account.

3. OPERATIONAL BANKING ARRANGEMENTS

- 3.1 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.
- 3.2 All account balances are shown on the regular Cash and Investment Reconciliation report.
- 3.3 The Council is asked to endorse that this procedure continues, to ensure that sufficient funds are available in the NatWest accounts for short term anticipated expenditure.