

WATERBEACH PARISH COUNCIL

Finance Committee 18 October 2017

Agenda item 17/28 Banking Arrangements

Note from the Clerk

Following the receipt of the precept money and S106 for Cody Road West, WPC holds:

Bank	Amount with bank (rounded)	Interest rate %
Unity Trust current account	215,253	0.05
Cambridge and Counties 30 Notice Business account	79,219	1.1
Close Brothers 6 month BNA	52,972	1.1
Cambridgeshire Building Society Easy Access Council Saver	62,549	0.15

In the next month or so we should receive a further £116,000 (rounded) relating to E of Cody Road and N of Bannold Road.

I have started looking into different products with the same suppliers that offer better rates of return for funds:

Bank/product	Rate AER	note
Cambridge and County 1 year fixed term	1.3 fixed rate	Minimum 10k deposit
Cambridge and County 3 year term	1.7 fixed rate	Minimum 10-k deposit
Close Brothers 12months notice account	1.6 variable	Minimum 50k deposit. Changes may be made without notice if the change is favourable, and with 1 month written notice if a reduction in rate

Although an improvement on our current banking arrangements, there is a judgement call to be made on whether they are sufficiently attractive to commit to now, given speculation in the Press that a rise in the Bank of England interest rate could be announced in the near future.

An alternative might be to consider depositing some monies in a Money Market account. One such vehicle is the Public Sector Deposit Fund offered by CCLA Investment Management Ltd. This Fund was established in 2011 after the Local Government Association identified a need for a specific Fund to assist Local Authorities at a time of turmoil and upheaval in the financial world. It is authorised by the FCA and is a Qualifying Money Market Fund with an AAA credit rating. The link below has more details and a brochure is also attached. I understand there are over 300 Councils (not necessarily parish ones) in this scheme – and have discovered at least one Cambridgeshire-based PC uses this instrument. I will endeavour to speak to the Clerk for feedback before the Finance Committee meeting.

Link for more info - <https://www.ccla.co.uk/investment-solutions/fund/the-public-sector-deposit-fund>

