

# WEST SWINDON PARISH COUNCIL

## FINANCE & STAFFING COMMITTEE

### General Reserves Savings Accounts Report

10 May 2018

Agenda Item 8

#### 1. Background

- 1.1 West Swindon Parish Council appointed Lightatouch as their internal auditors for the 2017-2018. Internal Audit recommendations indicated that the Parish Council should be mindful of spreading its investment portfolio to minimise the risk of loss so it can recover the maximum amounts under the Financial Services Compensation Scheme of £85,000 per banking institution.
- 1.2 West Swindon Parish Council has set up a savings account Nationwide Building Society.

#### 2. Detail:

- 2.1 The following accounts could provide West Swindon Parish Council with options to widen its investment portfolio:

##### a. Virgin Money Business Access Savings Account

- Variable rate of 0.90% AER<sup>1</sup>/Gross<sup>2</sup>
- Pay in and withdraw your money anytime
- Minimum deposit to open is £1,000.
- Maximum deposit limit £1,000,000
- You can have a maximum of two account signatories who can operate this account online for the business. Details of how these two people can manage the account online are set out on the website and in your Business Access Savings Account guide.
- Open access to savings.

**b. Santander 1 Year Fixed Rate Business Bond**

- 0.50% AER/ Gross (fixed)
- 1 year Business Bond Gross/ AER (fixed) based on funds deposited on 1 May 2018. Rates correct as at 4 April 2018
- no access during period of the bond

**c. Santander Business Everyday Saver**

- Every day access. Interest rate 0.30% AER/ Gross (variable)
- Interest calculated daily and added to the account monthly.
- Minimum opening and account balance of £1. There is no maximum balance

**d. Lloyds Bank 32 Day Notice Accounts**

- Interest is calculated daily and paid into the account daily. The interest rate you receive on the account will increase if the Bank of England (BoE) Bank Rate increases. Currently 0.57%.
- Minimum withdrawal amount £10,000.
- 32 days' notice required to make a withdrawal, providing remaining balance is over £10,000.
- Additional funds can be paid into the account.
- 32 days' notice is required to close the account.

**e. Lloyds Bank - Fixed Term Accounts**

These interest rates apply to deposits with a minimum balance of £10,000 and maximum balance of £5m.

Fixed Term Deposit    3 months    0.45% (fixed)

Fixed Term Deposit    6 months    0.55% (fixed)

Fixed Term Deposit    9 months    0.65% (fixed)

Fixed Term Deposit    12 months    0.80% (fixed)

Term deposit with fixed maturity date Maturity date 08/08/2018 0.47% (fixed)

Term deposit with fixed maturity date Maturity date 23/01/2019 0.72% (fixed)

### **3. Recommendations:**

- 3.1 The Finance and Staffing Committee considers the options above and instructs the Parish Manager to open additional savings accounts for the General Reserves.

Paula Harrison  
Parish Manager