

Finance Committee report Council- February 2024

Bank account

A mandate was completed to add 3 members of the Finance Committee as signatories to the TSB bank account in addition to the Clerk. Once TSB's security checks have been successfully carried out and they are registered we will have more options.

Savings Accounts

Council has about £300,000 in a linked TSB instant access interest account. This sum roughly corresponds to the funds that are earmarked for particular projects. In the unlikely event of a bank failure if all our investment is with one bank we could lose any sums above £85,000 (up to that the capital is guaranteed by FSCS for small Councils). This small risk can be mitigated by spreading our funds over more than one saving organisation.

Furthermore higher interest than TSB's 1.5% is available elsewhere, albeit with less convenience than with a linked account.

Not all savings institutions offer savings accounts suitable for Parish Councils but Unity Trust Bank offer a suitable online savings account at 2.75%, and The Cambridge Building Society offers one at 2.9% although that has to be operated by post. Both are used by other Parish Councils. It is suggested that Council should open an account with each, transferring roughly £130,00 in each of the new accounts.

If further suitable accounts, including term accounts which offer a higher rate but with no withdrawals for a fixed term, are found we should further spread our funds until. Ideally, we have not more than £85,000 in each.

The Finance Committee wishes to confirm that Councillors are happy to delegate such opening and running of new accounts on behalf of the Council.

Proposed Resolution

Council resolves that the Finance Committee has authority to authorise further savings account openings, determine the distribution of funds across them, and determine any detailed arrangements necessary.