CHAIR'S REPORT JUNE 2025

BANK BALANCES

I suggest that we take this item under Finance.

I am concerned that we leave too much money on our Unity Bank Current Account, which pays no interest. As a short-term measure £65,000 has been transferred to our Unity Bank Instant Access Account which pays interest at 2.25%. Our Financial Regulations allow the Clerk to "fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council." My interpretation, and that of John Thelwall, was that although the regulations are rather unclear, we could make multiple transfers provided none exceeded £10,000.

I will be asking for the meeting's confirmation of this action.

That takes us to the situation that we are now in. The Council's Investment Strategy allows for investment through deposits with banks, building societies, local authorities or other public authorities. It excludes investment in the money market, stocks and shares.

To make the process as straightforward as possible we could invest our funds with Unity Trust Bank where we have our main current account. That would, however, take us beyond the level of £85,000 guaranteed by the Government but the rates are reasonably attractive, as follows:

Instant Access at 2.25%, 30 days fixed at 3.05%, 6 months fixed at 4.00% or

12 months fixed at 4.10%

We also have accounts with Nationwide Building Society , Cambridgeshire Building Society and National Westminster Bank.

Nationwide Building Society is paying 2.95% for 35 days notice and 3.94% for 6 months fixed. As with Unity Trust Bank, our balance exceeds £85,000 on the 35 day notice account.

Cambridgeshire Building Society pays 2.15% but deposits and withdrawals must be by cheque and withdrawals are limited to 2 per month.

National Westminster Bank is paying 1.05% on its Business Reserve Account and 2.25% on a 35 days notice account.

My view is that we should use the Unity Trust Account for 6 months fixed and Instant Access and consider placing more funds into Cambridgeshire Building Society and National Westminster Bank.