

## To receive and note a report on investments

| <b>Investment Description</b>                 | <b>Amount</b> | <b>Limit of Investment</b> | <b>Required Period to Withdraw</b>                 | <b>Maturity Date</b>          | <b>Percentage Rate</b> |
|---|---------------|----------------------------|--|-------------------------------|------------------------|
| CCLA Public Sector Deposit Fund               | £500,000      | £500,000                   | Next Day   | N/A                           | 4.94% - September 2024 |
| Barclays Active Saver                         | £829          | £500,000                   | Instant  | N/A                           | 1.50% - December 2023  |
| Nationwide 95 day Notice Account – Issue 11   | £500,650      | £1,000,000                 | 95 days' notice                                    | N/A                           | 4.15% - November 2024  |
| Cornwall Council Deposit Fund                 | £997,310      | £1,000,000                 | Before 9:30am, same day.<br>After 9:30am, next day | N/A                           | 4.91% - October 2024   |
| Lloyds Fixed Term Deposit Account (12 months) | £340,000      | £500,000                   | 12 months investment                               | 3 <sup>rd</sup> November 2024 | 3.60% Fixed 12 months  |

### **1. Recent transfers below:**

**£250,000** during October from **Barclays Active Saver** to **Barclays E-Payments (Business Current account)** for October and November expenditure and salaries.

### **2. Nationwide 95 day Notice Deposit account:**

Following the Bank of England's decision to reduce the base rate from 5.25% to 5.00%, Nationwide have decided to reduce the interest rate for the **Nationwide 95-day Notice Deposit** account from **4.30%** AER/gross per year to **4.15%** AER/gross per year with effect from 1<sup>st</sup> November 2024.

### 3. Lloyds Fixed Term Deposit

The fixed term deposit of £340,00 matured on 6th November 2024 with an interest payment of £12,273. The interest return is allocated to budget code 4901 Bank Interest Received (income).

It was **RESOLVED** at Policy and Finance on 24<sup>th</sup> September 2024, minute nr. 61/24/25 [To delegate to the Finance Officer to reinvest the Lloyds deposit of £340,000 in a new Nationwide Business One Year Fixed Term Saver Issue 27 at an investment rate of 4.25%, subject to that option being available and the most competitive in November.](#)

The current options to re-invest £340,000 is limited due to eligibility terms e.g. “must have a current account”. Opening a new account is not a straight forward process for a Town Council which excludes many of the banks.

Options to invest £340,000 with existing accounts at 6<sup>th</sup> November 2024

**Lloyds**, see below table:

| AER <sup>1</sup> | Gross p.a. <sup>2</sup> | Term length |
|------------------|-------------------------|-------------|
| 1.81%            | 1.80%                   | 3 months    |
| 2.93%            | 2.91%                   | 6 months    |
| 2.66%            | 2.65%                   | 9 months    |
| 2.65%            | 2.65%                   | 12 months   |

**Note:** these rates are available from 08/11/2024 to 19/12/2024 and may be subject to change.

**Investing £340,000 for 12 months will return interest of £9,010 at 2.65%**

**Barclays:**

Rates are not published on the website and only available by contacting Treasury Team. Rate quoted on 11<sup>th</sup> November 2024 for 12 month Fixed Term Deposit over £100,000 is 2.43% Gross.

**Investing £340,000 for 12 months will return interest of £8,262 at 2.43%**

**Nationwide**, see below table:

| Account type        | Account name   | Interest rate from 1 November 2024                |
|---------------------|----------------|---|
| Instant access      | Instant Saver* | <b>Earn up to 2.05%</b> AER/gross p.a. (variable) |
| Notice accounts     | 35 day saver*  | <b>Earn up to 3.20%</b> AER/gross p.a. (variable) |
|                     | 95 day saver*  | <b>Earn up to 4.15%</b> AER/gross p.a. (variable) |
|                     | 125 day saver* | <b>Earn up to 4.25%</b> AER/gross p.a. (variable) |
| Fixed Rate Accounts | 6 Month Saver  | <b>Earn 4.50%</b> AER/gross p.a. (fixed)          |
|                     | 1 Year Saver   | <b>Earn 4.00%</b> AER/gross p.a. (fixed)          |
|                     | 18 Month Saver | <b>Earn 3.75%</b> AER/gross p.a. (fixed)          |

We are not currently accepting new applications for our range of Business Savings accounts. The above rates are for existing customers only.

Due to demand, Nationwide are not currently accepting new applications for the range of Business Savings accounts.

#### **Outcome:**

After considering all available options in line with the above resolution, I can now confirm that £340,000 has been invested in the Town Council existing Nationwide 95-Day Notice Deposit account, offering a variable interest rate of 4.15%. While the rate may decrease, reductions have historically followed only after a Bank of England base rate cut.

This option remained more favourable than Lloyds' 2.65% rate, which would yield £9,010 in interest. If the 4.15% rate holds for 12 months, it would generate £14,110 in interest.

**End of Report**  
***Finance Officer***