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| Committee | COUNCIL MEETING |
| Date | 19 July 2021 |
| Agenda Item | 7d |

Fixed term deposit account

Halstead Town Council placed a sum of £45,000 which it did not need for immediate expenditure in a fixed term savings account with Lloyds bank in August 2019. This has brought an income of £496 per year over the past 2 years. The term of this savings account was 2 years, and will expire in August 2021. Unless we reinvest this elsewhere the interest rate will be even lower if we leave the savings in this account.

The Town Clerk has taken advice from Lloyds. Interest rates have fallen dramatically everywhere during the pandemic, and there are very few options for safe investment. HTC is not in a position to make a risky portfolio investment. It will therefore be necessary to invest in a similar fixed term savings account where, at Lloyds, the current interest rate is 0.05%. The rate is the same or even lower with other banks surveyed. In addition, many other banks do not allow the opening of a savings account unless the customer already has a current account.

Nevertheless, it would be good to move these funds to a different bank so that they are protected. We already have a long term Business saver account with Nationwide. It would be possible to open another bond with Nationwide. This would be for a fixed term of 2 years, with an interest rate of 0.5%.

Recommendation; that HTC reinvests in a Nationwide fixed term savings bond.



Sarah Greatorex Town Clerk