

Date: 9 October 2026

Subject: Deposit of Reserve Funds into Notice Accounts

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1. Recommendations

- 1.1. Move earmarked reserves into a Lloyds Bank 32 day notice account.
- 1.2. Research alternative accounts, such as the Unity Bank notice accounts mentioned below, to be opened in addition to the Lloyds Bank current account
- 1.3. Consider suitable notice period and fund allocations for the Council's operations
- 1.4. Aim for a decision by the Council in its November meeting.

2. Background

- 2.1. The Council holds earmarked reserves and an unearmarked general fund. Suitable allocations are reviewed by the Council annually.
- 2.2. The document 'Statutory Guidance On Local Government Investments' is not mandatory unless investments exceed or are expected to exceed £100,000 however their guidance should still be considered. In particular:
Security, Liquidity and Yield
26.A prudent investment policy will have two underlying objectives:
 - *Security – protecting the capital sum invested from loss; and*
 - *Liquidity – ensuring the funds invested are available for expenditure when needed.**27.The generation of yield is distinct from these prudential objectives. However, this does not mean that local authorities are recommended to ignore potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities.*
3. BPC's Current Banking Arrangements - Most funds are held in a Lloyds Bank Instant Account and earn 0.6% AER.
4. Alternative Lloyds Bank Notice Accounts
 - 4.1. 95 day notice account – 2.46% AER
 - 4.2. 32 day notice account – 1.65% AER
5. Unity Trust Bank comparison: 2.93%, 2.73%, and 1.96% AER respectively.
6. £10,000 invested at 2.93% AER earns £293 in interest over one year, while £10,000 invested at 0.6% AER earns £60.
7. At 30 September 2026 the Council held £38,891 in earmarked reserves and had a general fund of £33,321.81. The 26/27 precept payment has been received in full. Forecast payments to 31 March 2027 are £24,229.