



# MELTON PARISH COUNCIL

FRM(22)16.05

## SAVINGS ACCOUNTS

We are currently charged £8.50 a month for the Barclays current account and receive £4-5 per month in interest on the Barclays Deposit account. We no longer use the Barclays current account for day to day transactions as that has been superseded by the Lloyds current account. The only payments made from the Barclays current account is a DD to Eon for the Pavilion electricity and the CIL receipts are received. The Precept is paid into the Barclays Deposit account.

If we closed the Barclays current account we would lose online banking access to the Barclays Deposit account. I am proposing that the Council considers closing the Barclays accounts and opens a savings account with Lloyds and considers topping up the Suffolk Building Society account.

I have contacted Lloyds Bank and they have confirmed there are two savings accounts that we could open and that there are no charges for either of them:

- Instant Access Savings - minimum deposit of £1, £5m maximum. Interest is 0.01%\*. Can access online and move money between the accounts instantly.
- 32 Day Notice Account - minimum deposit of £10k, no maximum. Interest is 0.03%\*. Have to give 32 days' notice to move the money.

Lloyds Bank confirmed that we can have £50k in the Treasurers Account at any point in time.

It seems prudent to have an account that has instant access so if only one savings account is to be opened the Instant Access Savings is preferable. This would only happen after the first instalment of the 2022/23 Precept has been received to ensure that ESC have ample time to update their records with the new bank account details. I am not aware of any restrictions about the type of account the Precept can be paid into but I will confirm with ESC.

By reducing the number of bank accounts held by the Council it will also reduce the office administration tasks.

### Recommendations

That members of FERM:

- Agree to open a Lloyds savings account, close the Barclays accounts and transfer the money to the Lloyds savings account, subject to the Clerk confirming that the Precept can be paid into the Lloyds savings account.
- Decide if they want to transfer some money to the Suffolk Building Society Deposit Account as this has a better rate of interest at 0.4% (£252.79 interest received in 2021 on £101k). A maximum of £250k can be held in this account.

Pip Alder

Clerk, Melton Parish Council

7<sup>th</sup> April 2022

\* as at 9<sup>th</sup> March 2022