

## Congleton Town Council

### Investment Strategy

To keep the balance in RBS Current & reserve accounts to a maximum of £400,000. Balance over this will be transferred on a monthly basis to the CCLA Instant Access Money Market Account. Should the balance go below £400,000 funds will be transferred from CCLA to RBS. Transfers will be delegated to the RFO, or in the absence by the Chief Officer or Deputy Chief Officer and signed in accordance with our Financial Regulations for Bank Payments.

Congleton Town Council has £150,000 with Cambridge and Counties Bank<sup>1</sup> on a 1 year deposit. Until 8<sup>th</sup> November 2022 the interest rate for the 1 Year investment is 1.2%. On renewal on 8<sup>th</sup> November 2022 this will increase to £250,000.

£150,000 of its Ear Marked Reserves is with CCLA Public Sector Deposit fund. This is an instant access money market account with fluctuating interest rates every day Although the capital is not at risk of reducing in value, it is possible at a time of very low interest rates, for the interest rate of a CCLA Public Sector Deposit Fund to be negative. As from 8<sup>th</sup> November 2022 this account will be used as a sweeper account for the balance of funds over £400,000 in the RBS Current and Reserve accounts.

Suggested Strategy:

1. To limit the balance of RBS Current and Reserve account to a maximum of £400,000
2. To increase in Cambridge and Counties 1 year account to £250,000 on 8<sup>th</sup> November 2022
3. To use the CCLA instant access money account as a sweeper account from 8<sup>th</sup> November 2022

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<sup>1</sup> Cambridge & Counties Bank is an authorised UK bank which focuses on providing financial products to small and medium sized enterprises (SMEs). We fund our loans using customer deposits. As we do not borrow money from the wholesale markets we do not require a credit rating.

We are owned in equal shares by Trinity Hall, Cambridge, and Cambridgeshire Local Government Pension Fund and regulated by both the Financial Conduct Authority and the Prudential Regulatory Authority. We are a member of the Financial Services Compensation Scheme (FSCS) which protects the deposits of small to medium sized businesses which meet the FSCS criteria; full details of which can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

Both the management of the Bank and the owners have a conservative approach to risk management and the bank holds levels of capital and liquidity in excess of all regulatory requirements. We see our primary banking responsibility to be to protect our depositors.