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## **Banking Arrangements and Investment Arrangements**

This policy was adopted at a Full Council meeting on 4 April 2019. This policy should be read in conjunction with the Reserves Policy and both policies will be reviewed in April each year.

### **Banking arrangements**

- 1) In accordance with the Financial Regulations (5.1 The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.) the following information summarises the banking arrangements of Ingatestone and Fryerning Parish Council:
  - a) The payment of income into the bank shall be undertaken regularly subject to necessity.
  - b) When a new council comes into office or a councillor resigns, bank signatories will be updated within 1 month
  - c) A balance sufficient to avoid banking penalty charges will be maintained within the current account
  - d) Bank mandates and regular payments will be reviewed each May
  - e) Payments and receipts are reviewed by the Full Council and Policy and Resources Committee each month

### **Investment Strategy**

- 2) The strategy has been produced and complies with the guidance issued by the Secretary of state under Section 15(1)(a) of the Local Government Act 2003 and being in effect from 1<sup>st</sup> April 2018.
- 3) Ingatestone and Fryerning Parish Council acknowledges its responsibility to the community and the importance of prudently investing the temporary surplus funds held on behalf of the community.
- 4) Objectives  
The general policy objective for this council is the prudent investment of its balances. The Council's investment priorities are, in order:
  - a) The security of its reserves
  - b) The liquidity of its investments
  - c) The yield obtained from any investment

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

- 5) Policy  
All the Council's investments will be those offering high security and high liquidity. This means that:
  - a) All investments will be made in sterling and any payments or repayments will also be made in sterling
  - b) All investments will be made in UK banks and building societies
  - c) All banks and building societies will be covered by the FCS compensation scheme

The Department of Communities and Local Government maintain that borrowing of monies purely to invest, or to lend and make a return is unlawful and Ingatestone and Fryerning Parish Council will not engage in such activity.

**Current provision**

- 6) Ingatestone and Fryerning Parish Council currently have the following savings accounts to accommodate the requirements of their reserves policy

<b>Bank / Building Society</b>	<b>Account</b>	<b>Interest</b>	<b>Balance</b>
Nationwide Building Society	Business Instant Saver Issue 3	0.5%	£85,359.41 (18/5/18)
Yorkshire Building Society	Community Saver	0.25% variable	£85,483.16 (31/3/18)

The Saffron Building Society account was closed in March 2019 to cover the cost of renovation of Seymour Pavilion. The other two accounts will be maintained to cover the council's short-term liabilities as detailed in the Reserves Policy with the balance being maintained in the council's current account with Unity Trust Bank.