

POLICY AND RESOURCES COMMITTEE

9th JANUARY 2023

INVESTMENTS

To facilitate the Play Area improvements, a long term investment has been withdrawn from the CCLA investment fund.

In order to maintain an investment income officers have been investigating alternative short term investments for the Council's Reserves funds.

Due to the number of projects on the horizon, it is recommended that no more than 6 months is considered at this point.

Lloyds Bank offer an account with a six month rate of 2.7% (2.72% AER):

£25m-£100m
£100m+
Financial Institutions
Local Authorities

Apply now

Alternatively, you can speak to a Relationship Manager or contact Treasury Direct on [0345 305 5555](tel:03453055555). We are available Monday to Friday, 8am to 5pm.

Interest rates

Interest paid at maturity.

Fixed Term Deposit Accounts	Term length	Interest Rate GROSS*	Interest Rate AER**
3 Month Fixed Term Deposit (FTD)	3 months	1.20% (fixed)	1.21% (fixed)
6 Month Fixed Term Deposit (FTD)	6 months	2.70% (fixed)	2.72% (fixed)
9 Month Fixed Term Deposit (FTD)	9 months	2.75% (fixed)	2.76% (fixed)
12 Month Fixed Term Deposit (FTD)	12 months	2.80% (fixed)	2.80% (fixed)
GBP Fixed Date (FTD)	Maturity date 19/07/2023	2.70% (fixed)	2.72% (fixed)
GBP Fixed Date (FTD)	Maturity date 10/01/2024	2.80% (fixed)	2.80% (fixed)

Factsheets

[Read the Fixed Term Deposit Factsheet \(PDF, 290kb\)](#)

The Fact Sheet is attached detailing the terms of the investment.

This product would have the benefit of easy administration as the Council are currently Lloyds Bank customers. It would mean the Council would protect its fee free banking service and continue to support the last bank branch in town.

If a more innovative investment is desired, then officers could plan to research and present other options ready for when this initial 6 month investment matures.

It is recommended that, in accordance with the Council's Investment Strategy, up to £200,000 is invested in a Lloyds Bank Fixed Term Deposit Account which would allow for cashflow through to the end of July 2023 when the investment would mature.

This investment would generate £2700 of guaranteed interest in that period.

Jonathan Parsons
Town Clerk

Fixed Rate Term Deposit

PRODUCT INFORMATION FACTSHEET

As at: 19 June 2020

Quick Facts:

Product Type	Deposit
Deposit Type	Fixed Rate Term Deposit
Interest Rate	Fixed rate agreed at time of placing the Deposit and fixed until the Maturity Date.
Interest Calculation & Payment Frequency	<p>For Deposits up to 1 year in duration, interest is calculated using the Day Basis and paid on the Maturity Date.</p> <p>For Deposits exceeding 1 year in duration, interest is calculated using the Day Basis and paid on each anniversary of the Deposit's Value Date and on the Maturity Date²</p>
Minimum Deposit Amount	10,000 (£ / € / \$) ¹
Maximum Deposit Amount	5,000,000 (£ / € / \$) ¹
Minimum Duration	Overnight (1 Day)
Maximum Duration	3 years ²
Statement Frequency	None
Eligibility Requirements	This product is available to commercial businesses with an annual turnover of £25-100 million

Definitions

- **FTD** means the Fixed Rate Term Deposit held with Lloyds Bank PLC.
- **Day Basis** means calendar days / 365 for Sterling (GBP) or calendar days / 360 for Euros (EUR) and US Dollars (USD).
- **Interest Rate** means the fixed rate of interest that will apply to your FTD. This rate is agreed with you when you agree to place the deposit with Us.
- **Lloyds Bank/ We/Us/Our** means Lloyds Bank PLC.
- **Maturity Date** means the final payment date, when all funds in your FTD (including the Principal and any remaining interest) is due to be paid to you. This must be a Working Day and will be agreed with you, when you agree to place the deposit with Us.
- **Principal** means the initial amount of funds placed into your FTD.
- **Value Date** means the date that cleared funds are received from you. This must be a Working Day and will be agreed with you, when you agree to place the deposit with Us.
- **Working Day** means any day (excluding Saturday and Sunday) on which the banks in London are open for business.

Product Features:

The Fixed Rate Term Deposit (FTD) is a deposit product with the key features detailed below.

Key Features:

- Fixed Rate Term Deposits are available in all major currencies including Sterling (GBP), Euros (EUR), and US Dollars (USD). Other currencies may be available upon request.
- The Interest Rate, Principal, Value Date and Maturity Date will be agreed with you, at the time when you agree to place the deposit with Us.
- The minimum duration of a FTD is overnight, up to a maximum of 3 years.²
- Interest is calculated by reference to the Interest Rate which is fixed until the Maturity Date using the Day Basis.
- For deposits placed with a term of less than 1 year, We will calculate the interest and pay the Principal and any interest to your nominated account on the Maturity Date as stated in your standard settlement instructions, unless instructed otherwise, prior to the maturity of the FTD.
- For deposits placed with a term of more than 1 year, We will calculate the interest and pay interest to your nominated account on an annual basis by reference to the Value Date. The Principal including any remaining interest will be paid to your nominated account on the Maturity Date.

Benefits:

- The Interest Rate you receive on the FTD is fixed until the Maturity Date.
- Trade parameters including principal, interest rate, and duration can be tailored to suit your requirements, but are fixed once agreed and cannot be altered.

Risks:

- You may not withdraw all or part of the Principal prior to the Maturity Date and you must hold the FTD until the Maturity Date. This means that the Principal is committed for the duration of the FTD and your financial position must allow you to be able to cover any cash flow requirements you may have during the fixed term.
- No additional funds can be deposited once the parameters of the FTD have been agreed.

¹Larger or smaller amounts (and in other currencies) may be available on request /at Our discretion

²Unless otherwise agreed

Fixed Rate Term Deposit

PRODUCT INFORMATION FACTSHEET

As at: 19 June 2020



COMPENSATION ARRANGEMENTS

Eligible deposits with Lloyds Bank plc are protected by the Financial Services Compensation Scheme (FSCS).

Further information about the scheme (including the amounts covered and eligibility to claim) can be obtained from the FSCS via its website www.FSCS.org.uk or by calling the FSCS on 0207 741 4100 or 0800 678 1100.

DISCLAIMER

This document has been prepared by Lloyds Bank plc ("Lloyds Bank") for information purposes only. This document describes the product and summarises the key risks and benefits associated with making a deposit of this nature. Any terms, including rates that may be contained herein are indicative only. The rates offered and the other financial terms of this deposit are only agreed when you make the deposit with us. If you receive information from us which is inconsistent with other information which you have received from us, you should refer this to your Lloyds Bank Sales representative for clarification.

Lloyds Bank acts as your deposit taker under this deposit and solely in a principal capacity. Not all investments will fulfil your requirements. You should be aware that any investment which you enter into with us is, in the absence of any written agreement to the contrary, on the basis that you are able to make your own independent assessment and decision as to your requirements and whether that investment fulfils those requirements. Your decision will be based on your own knowledge and experience and any professional advice which you may have sought in relation to the financial, legal, regulatory, tax or accounting aspects of the proposed investment.

Lloyds Banking Group plc and its subsidiaries may participate in benchmarks in any one or more of the following capacities; as administrator, submitter or user. Benchmarks may be referenced by Lloyds Banking Group plc for internal purposes or used to reference products, services or transactions which we provide or carry out with you. More information about Lloyds Banking Group plc's participation in benchmarks is set out in the Benchmark Transparency Statement which is available on our website.

Lloyds Bank is a trading name of Lloyds Bank plc which is a subsidiary of Lloyds Banking Group plc. Lloyds Bank plc's registered office is at 25 Gresham Street, London EC2V 7HN and it is registered in England and Wales under no. 2065. Lloyds Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 119278. (05.18).

Placement / Maturity of Fixed Rate Term Deposit:

- In order to place a FTD, instructions must be given by telephone to your Lloyds Bank representative²
- In order to make a deposit, you will need to open or have a nominated account. This nominated account will be used to transfer the deposit amount agreed and used to transfer your deposits upon maturity. Your nominated account does not need to be held with Lloyds Bank.
- Further funds may not be deposited into an existing FTD, but it is possible to place more than one FTD.
- Written confirmation will be sent to you in respect of each FTD that you place with Us. The confirmation will confirm the Interest Rate, Principal, the Maturity Date and the Value Date. No statements will be sent.
- The FTD will operate from the agreed Value Date. You must ensure that the agreed amount of funds to be deposited into your FTD is received by Us on the agreed Value Date. A delay in the receipt of funds may result in a loss of interest on your FTD.
- In order to select the Maturity option, instructions must be provided by telephone to your Lloyds Bank representative.
- On the Maturity Date, Lloyds Bank will transfer the Principal and any remaining interest on the FTD to your nominated account as agreed at the time of placing your deposit. Should you wish to amend your nominated account or amend any instructions under your FTD, you must notify Lloyds Bank prior to the Maturity Date. Any instructions received on or after the Maturity Date will not have any effect.

Important Information

- Lloyds Bank will only accept, and agree to, a FTD once it has received all necessary documentation and its internal checks have been completed to its satisfaction. Lloyds Bank reserves the right to reject an application.
- Terms and Conditions apply which you should read carefully. These can be found at www.lloydsbank.co.uk/generalterms & www.lloydsbank.co.uk/cbmarkets-deposit-terms
- You are responsible for ensuring that payment is made to the relevant revenue authorities for any tax liability due in respect of your FTD, however, We reserve the right to withhold tax from any amount that We pay to you. We may be required to report from time to time to regulatory or other authorities, details of any information We hold in respect of your FTD. We reserve the right to do so without any further notice to you.

Please contact your Lloyds Bank representative if you have any queries regarding the information in this factsheet.