

Agenda Item: 6 (e)

Report to: Finance and Audit Committee

Date: 10th September 2025

Subject: Short Term Deposit Investment

Summary: The committee is asked to consider allocating a portion of the general reserves to a Short-Term Investment.

1. Background and objective

- 1.1 Bexhill-On-Sea Town Council's short-term investment has matured and is currently sitting in a low interest account. It was previously placed on a 12-month deposit with Unity Trust which matured on 6th August 2025. The interest earned for the 12-month investment of £150,000 is £7,275.00.
- 1.2 The RFO has been requested to investigate options for reinvestment. The investment would be short term (One Year maximum) for up to £200k from General Reserves. This will gain a better return which can go towards delivering the council's objectives. This amount means the council can continue with the projects outlined for completion in the coming year.

2. Purpose of the report

- 2.1 The purpose of this report is to look at the various options of bank accounts or investments in order to gain a better return.
- 2.2 The RFO has researched six months and One Year Fixed rate accounts and one Investment Fund aimed at Local Authorities. It is understood that other Parish/Town Councils use these organisations, and they are well known.
- 2.3 A check has been made by the RFO to ensure that BoSTC funds can be placed in these investments or accounts:
- 2.4 The interest figure in the table is based on an investment of £150,000.
- 2.5 All the figures in the table below are as of 21st August 2025 and are subject to change.

Bank	Account	Interest Rate	Interest on maturity of investment	Min & Max Amount can be Invested	Credit Rating
Unity Trust	One Year Fixed Term	4.00%	£6,000	£85,000 to £20m	BBB-
Unity Trust	6-Month Fixed Term	4.00%	£3,000	£85,000 to £20m	BBB-
Redwood Bank	One Year Fixed Saving Bond	4.10%	£6,150	£10,000 to £1m	N/A
Cambridge & Counties	One Year Fixed Term	4.25%	£6,375	£10,000 to £5m	N/A
Lloyds Bank	6-Month Fixed Term	2.24%	£1,680	£10,000+	A+
Lloyds Bank	One Year Fixed Term	2.24%	£3,360	£10,000+	A+
CCLA	Instant Access Public Sector Deposit Fund	4.22% Bank of England rate tracker	£6,330	£25,000 – no upper limit	AAA

2.6 The two 6-months and four one-year fixed rate bonds, are with no further deposits or withdrawals. The rate is fixed for the whole term. The interest would be paid on maturity date of the deposit.

2.7 The CCLA instant access Public Sector Deposit Fund is a Money Market Fund and uses the investment to access other A+ credited financial institutions mainly in the UK and USA, these are the following key facts:

- Same day access.
- Investments are made in Pound Sterling.
- It tracks the Bank of England base rate which is currently 4.50%.
- The interest rate is 4.22% net currently after CCLA fees.
- Very low risk investment.
- Used by other County, Parish and District/Borough councils.

3. Recommendation

- a) The Finance Committee to decide on amount of funds to be reinvested.
- b) The Committee to decide on a fixed rate bond listed above OR
- c) The RFO to arrange a presentation from CCLA to discuss their investment fund further if the committee wishes

