

# Changes to banking arrangements

V1.1 15/3/21

## 1 Changes since last version

Unfortunately, just before the last RPC meeting Redwood withdrew their 35 day account and replaced it with a 95 day notice version.

## 2 Current arrangements

RPC has a current and a savings account with Lloyds. The current account contains about £18K and the savings about £100K. The current pays no interest and the savings 0.01% - about £10 pa.

## 3 Available accounts

Despite record low interest rates, better ones are available on notice accounts. For one of my other businesses I use [Redwood Bank](#) for similar amounts, which over recent years has consistently given some of the best rates. I have had an account for about 2 years without any issues.

Not all accounts business savings accounts are available to parish councils. For example, the three highest-paying instant access accounts on Moneyfacts (Aldermore: 0.5%, Shawbrook: 0.5%, Virgin Money: 0.4%) are not open to us. I have as yet been unable to find an instant access account with a decent rate that we are eligible for.

The [Redwood 95-day notice](#) account pays 0.7%, ie £700pa, the highest rate for an up to 100-day notice account on Moneyfacts.

For further details of Redwood see <https://businessfinancing.co.uk/redwood-bank-business-banking/>

Therefore I propose we open an account with Redwood and deposit anything we can do without for 95 days up to the FSCS limit (£85K). Our forecast reserves at the beginning of next year are £108K and at the end £69K. Therefore we could reasonably put in anything from £69 to £85K, as we will have plenty of warning of major expenditure when we place the orders.

Therefore I propose we deposit £85K with Redwood.

## 4 Security

- Funds can only be withdrawn through a nominated business account, ie the Lloyds current account.
- Payments into the account from Lloyds would require 2 signatories as normal.
- Transfers from the account to Lloyds could be done by any signatory, exactly the same as with the current Lloyds savings account.
- The nominated business account could only be changed by authorisation of all signatories.

Therefore an account with Redwood would appear to be just as safe as our present Lloyds account.

I propose that signatories should be the Clerk, Chairman and Vice-chairman. This should give sufficient security but avoid the need to change signatories too often.

**Martin Whittaker**  
Clerk and RFO