
Audit Committee, 21 November 2017

New bank account with Nationwide

Executive summary and recommendations

Introduction

The scheme of delegation requires new bank accounts to be approved by the Council.

The investment policy requires the banks used by HCPC to have a credit rating of at least BBB- from Standard and Poor's and Baa3 from Moody's. The investment policy also requires no more than 67% of cash and deposits to be held with any one bank.

We have our current account with Lloyds and deposit accounts with Lloyds, Barclays and Santander, all of which meet the minimum credit rating threshold, and we place funds not immediately needed on fixed term deposits with those banks, after competitively seeking the best available deposit interest rates, and subject to the requirement to hold no more than 67% of funds with any one bank.

In order to widen our options we propose to open a deposit account with a new bank. We reviewed the interest rates available from UK banks that meet the minimum credit rating requirement, and we propose to open a deposit account with Nationwide. Nationwide has a credit rating of A from Standard and Poor's and Aa3 from Moody's, and currently offers competitive interest rates.

The only transactions with Nationwide would be the placing and withdrawal of deposits, from/to our Lloyds account. There would be no payments from our Nationwide account to third parties. Our bank mandate with Lloyds would be replicated with Nationwide.

Decision

The Audit Committee is asked to recommend the opening of a deposit account with Nationwide to the Council.

Resource implications

None

Financial implications

None directly

Date of paper

10 November 2017