

## **Introduction**

### **Recommendation 1**

To proceed with Action 8 from the Henfield Parish Council - Carbon Reduction Plan

ACTION 8. Ensure money is invested ethically

We will seek to transfer one HPC bank account to an ethical banking company

### **Recommendation 2**

To consider the recommendation from the Internal Auditor to reduce the amount held by HPC in the one HSBC account to be closer to the Financial Services Compensation Scheme (FFCS) limit (85k)

## **Recommendation 1**

What is Ethical Banking?

An “Ethical Bank,” also known as a social, alternative, civic, or sustainable bank, is a bank concerned with the social and environmental impacts of its investments and loans.

“Ethical Banks” are concerned with the wider ramifications of banks actions and their business practices, such as who they loan to or invest in. “Ethical Banks” support organisations that have a positive societal/environmental impacts either in the local community or in developing countries.

Ethical banks are regulated by the same authorities as traditional banks and have to abide by the same rules.

This is different from business ethics - concerned with : transparency, well-being of employees, customer satisfaction, engaging with local communities ,equality & diversity etc

## **Recommendations (rates as at 31/1/23)**



### **2. UNITY BANK – recommend by 4 NALC Councils**

A savings account with Unity Trust Bank will not only earn interest for your business, but the money you deposit will, in turn, help us to help other organisations make a real difference to society.

#### **Rates**

##### **Instant Access**

**Interest Net Rate:1.36%\*Interest Gross Rate:1.70%\*\* Interest AER:1.71%\*\*\***



## 2. Charity Bank

We take the time to understand the organisations we lend to, we put peoples' money where their values are and together we work to create lasting social change in our communities.. We show people how their savings could be invested ethically and in ways that would make them happy.

We are an ethical bank for everyone who knows that banks can do better. We are the bank for people who believe that banking should always work for good.

### Rates

Ethical 33-Day Notice Account - 1.36% - 1.51% Gross\* / 1.37% - 1.52% AER\*

Ethical 93-Day Notice Account - 1.61% - 1.76% Gross\* / 1.62% - 1.77% AER\*

Ethical 1-Year Fixed Rate Account - 3.11% Gross/AER\*



## 3. BOOM COMMUNITY BANK - recommended by HPC Internal Auditor

Corporate and Community Savings

Boom Community Bank is a financial co-operative. Our members pool their money to support financial inclusion within our mutually-beneficial financial community. The positive impact of a successful Community Bank is far-reaching. Why save with us?

- Your funds will facilitate ethical lending within our local communities, helping to keep people out of the clutches of high-interest lenders and loan sharks
- You will be supporting a not-for-profit organisation that is passionate about making life fairer and better for local people by delivering financial inclusion
- It's free. There are no set-up or account fees
- Withdraw your savings whenever you need to
- Eligible deposits are 100% protected by the FSCS
- You become a member of Boom Community Bank therefore, you will have a say in

### Rates

Savings in Boom are Shares (£1 = 1 share).

This means that you'll be eligible to receive a dividend on your savings if one is paid.

The ability to pay a dividend is dependent on the performance of the business,

In 2022 our members voted on 0.75% dividend.

A recommendation as to whether a dividend can be paid and the rate is made by Boom's Board of Directors every year in March at our Annual General Meeting (AGM),

## **Recommendation 2**

### **Alternative accounts for consideration - in line with the Internal Auditors recommendation**

- Barclays 0.8%/3.9% (1 year fixed)
- Nat West 0.8%/3% on a 95 day notice account
- HSBC 0.53%/3.9% (1 year fixed)
- Lloyds 0.3% (also do 32 to 95 day notice accounts)
- Metro 0.35%/2.3% (on 95 day notice account)
- Bank of Scotland 0.3%/2.6% (12 months fixed)
- Santander 0.2%/0.5% (will offer higher for fixed term)
- RBS 0.8% - 1.51% (will offer higher for fixed rate)
- Co-Op 0.5% - 0.96%
- Kent Reliance 2% instant access
- Starling Bank 3.25% 1 year fixed (with a Starling current a/c)