

All CBC Schools

**Our Ref: School Banking**  
**Date: 17th February 2015**

Dear Head Teacher

**Council banking procedures following change in the NatWest Bank credit rating**

I refer to my letter of 26 March 2014 advising you of the action taken by Central Bedfordshire Council in response to a reduction in the credit rating of NatWest and Royal Bank of Scotland. The Council suspended lending to both NatWest and RBS and maintains minimal cash balances with NatWest for operational purposes only.

I indicated that schools may wish to consider the Council's approach to reduce the risk of holding cash balances with a single bank.

Since March 2014, there have been some changes to inform you of:

- new Council banking arrangements with NatWest
- bank 'bail-in' legislative changes enacted in January 2015.

Following clarification with our treasury advisers, the combined effect of these changes means that the risk to schools of holding their cash balances with NatWest has been reduced.

I'm advising you of these changes in case you are planning to make alterations to your banking arrangements.

If you have any specific questions regarding this letter, please contact Anthony Dodridge in the Council's Treasury team on direct telephone 0300 300 5206.

Yours sincerely



Charles Warboys  
Chief Finance Officer

**Direct telephone** 0300 300 6147

**Email** [charles.warboys@centralbedfordshire.gov.uk](mailto:charles.warboys@centralbedfordshire.gov.uk)