

## REPORT ON PROPOSED CHANGES TO PARISH COUNCIL BANKING ARRANGEMENTS

PREPARED BY LIZ JONES, PARISH CLERK FOR WATERBEACH PARISH COUNCIL MEETING ON 1 March 2016

Making payments by cheque is becoming increasingly problematic for several reasons:

- 1 An increasing number of suppliers are asking for payments to be made electronically and some are now saying that they will soon refuse to accept cheque payments. This includes the County Pension scheme.
- 2 The re-invention of the local Post Offices, not only in Waterbeach but in other nearby villages, means that they can no longer process cheques for our monthly PAYE payments to HMRC. I now have to do these at a full-service Post Office in Ely or Cambridge.
- 3 Payment of staff salaries by cheque is unsatisfactory as it takes several days for cheques to clear.
- 4 Currently we pay no bank charges but Barclays are intending to make charges in future if we do not use electronic banking.
- 5 I have had difficulties communicating with Barclays Bank in the last year as they have changed their managerial arrangements and we no longer have a manager available to talk to us and we have had problems with Barclays when attempting to update the mandate.

I should like to ask Councillors to approve the use of Internet Banking arrangements in future.

The Parish Council's Financial Regulations, adopted in April 2014, allow for the use of internet banking and informal enquiries with other Parish Clerks indicate that an increasing number of Parishes now use this method of payment.

At a recent SLCC Finance Training day, I spoke to several Clerks, all of whom are using and recommend Unity Trust Bank. This concurs with the previous advice I received during my Cilca training. I have quoted overleaf from emails received via the local branch of the SLCC and have included an extract from the Unity Trust website and a marketing leaflet detailing their service for parish councils.

As you will see, Unity Trust operate a system whereby a Clerk can set up a payment but then someone else – i.e. in the case of Waterbeach, at least two Councillors – authorises it.

Few, if any, major banks operate a system offering on-line banking AND a separation of the person setting up the transaction, and the person(s) authorising it.

There is a fixed fee of £5 per month for a Unity Trust Select Account (current account) but by using online banking we would also save much more than that on postage and envelopes.

Daily interest (currently .1%) would be payable on account balances over £25,000. Barclays pays .15% on the overnight deposit account. In the last 12 months the council has earned £28.41 in interest on the Barclays account.

I recommend and ask that that Waterbeach Parish Council resolves to: -

1. Open a current account with Unity Trust to be used as the main account for regular business.
2. Use internet banking wherever possible.
3. Approve the issue of a prepaid debit card up to the value of £200 to enable the Clerk to make small online and telephone purchases as well as for buying stamps and other similar small items.

Liz Jones

23 February 2016

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## **Feedback on Unity Trust Bank from SLCC members**

*RS raised the issue of banking in the Open Forum at the SLCC Branch Secretaries Conference at Stratford-upon-Avon on 13th November 2015. ....response is understanding, and makes helpful suggestions about using smaller banks like the Co-op & the Unitary Trust. Incidentally other secretaries who were present were very positive about their dealings with the Unitary Trust bank which is apparently extremely helpful.*

*.... smaller Councils are viewed as a fairly small and unprofitable segment for the large commercial banks, however many members do seem to be finding more success and flexibility with the smaller banks such as Unity Trust. The Co-op have now also confirmed their on-going commitment to providing bank accounts for our sector. However, the money laundering and identification requirements can certainly make altering the mandate difficult.*

*It is certainly a changing scene, with the imminent repeal of the physical signatures rule to allow electronic payments, although the 2 signature/authorisation rule remains.*

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*"I have 5 councils with Unity and cannot recommend it as a bank highly enough. Setting up the account is a doddle and takes about 2 days. There's none of the usual going into the branch with 3 forms of ID and signing in blood for members - their existence is taken as read from the electoral register.*

*It's set up so that I am able to speak to the bank concerning the accounts and can transfer money internally from one account to another but in terms of making payments can only set up payments, not authorise them.*

*The councillors nominated as online signatories can only authorise payments and view accounts - they are not able to set up third party payments.*

*There are no branches - you post cheques to a clearing house and can nominate a bank (I use the post office in the village where I live) to pay in cash. With one council, we also have a preloaded debit card so I can spend on limited things, but do not have access to the actual bank account as you would with your personal debit card. (It's a bit like Petty Cash, but it means I can pay things like the ICO fee easily).*

*It has really transformed my way of working - our stamp and envelope consumption is virtually down to nil (mainly just allotment stuff once a year)"*

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*Look at the Unity Trust Bank, the bank operates on line only and doesn't have any High Street premises. We pay cash into our nominated Post Office and send cheques in a prepaid envelope. We are very pleased with the service it provides.*

*I upload payments to be made & 2 other councillors authorise them, so a triple authority system really. The councillors have their own individual log in details so they don't have to come to your home or office.*

# Banking for Local Councils

Hundreds of parish, community and town councils choose to work with Unity because of our shared social values, our belief in developing local UK communities, our high level of financial expertise and specialist sector knowledge.

We work closely with all of our customers and tailor our products and services to suit their needs. Through customer feedback we have made developments to our Internet Banking service to help you manage your accounts.

Our free Internet Banking service is a key feature for our new and existing local council customers as it offers:

- Option of dual or triple authority, requiring multiple signatories to authorise payments
- Range of access levels which you can tailor to suit your needs – a feature developed with feedback from council clerks to recognise the segregation of duties between clerks and councillors

*I wholeheartedly recommend Unity as being helpful, patient, responsive, understanding – all the things that many banks fail to deliver. It is a delight to have established a proper relationship with a bank and still be dealing with the same person I initially made contact with, who is exceptionally knowledgeable about the parish and town council sector. It is exciting to have a bank that is committed to the communities of its customers.*

Cathy Tibbles, Clerk and Responsible Finance Officer to Castle Bromwich Parish Council