

Banking arrangements – discussion paper

It has been agreed that the Parish Council should open a bank account that offers online banking as an addition to the existing arrangements with Nat West.

The advantages of online banking includes

- Cost savings on postage costs
- Immediacy of payment
- Creditors prefer online payments
- Greater transparency for councillors as signatories will be able to view the accounts at any time.

The need to retain Nat West includes:

- The council receives cash and cheques in relation to the cemetery and the allotments and it is very easy to pay these in via the post office

Other issues to consider

- The FSCS, Financial Services Compensation scheme, provides cover for £85,000.00 per institution. [What we cover | Check your money is protected | FSCS](#)
- The Parish Council should consider spreading it's cash holdings as risk mitigation.

Online banking options

- The Council should, as a minimum have an account administrator (the clerk) who sets up payments and can review the account/s and dual authorisation, meaning a minimum of 2 councillors authorise any payments or transfers.
- Nat West offers that at £20.00 per month via Bankline. The Parish Council has discounted this option.
- Alternatives are Unity Trust Bank and Metro Bank

Metro Bank		Unity Trust Bank	
Advantages	Disadvantages	Advantages	Disadvantages
Free banking provide there are less than 30 transactions per month and more than £6000.00 in the account	Travel to Milton Keynes or Northampton to make any changes to the account e.g. change or addition of signatories Need for photo ID Managing the balance and crediting money when it needs topping up	Used to dealing with Parish Council and usually do not require any additional ID & address verification (voters roll check and membership of a PC sufficient) No need to attend a branch – there aren't any (reduced carbon footprint) Cheque book and deposit book available All account changes are done online and printed off for local signature before scanning and uploading to Unity Trust	£6.00 per month fee

		<p>No threshold for fee application (flat rate fee)</p> <p>Has a deposit account that pays interest if required</p> <p>Clerk has experience with how this bank operates and nearby councils use them e.g. Raunds TC</p>	
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