Ettington Parish Council

Date: 14 February 2018

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| Item 17 – Appendix 6 | Banking Account |

1. **Introduction**

The Council currently banks with HSBC (having a current and deposit account) using cheque book banking only. No fees are paid on either account and the APR on the deposit account is 0.04%. The system of Electronic Banking provided by HSBC does not meet the requirements of Governance and Accountability for Smaller Authorities in England. The Council also holds an account with NS&I.

1. **Advantages/Disadvantages of Electronic Banking**

2.1 There are a number of advantages to on-line banking:

* Save on postage;
* Save on Clerk’s time;
* Prompt transfer of funds between current and deposit account thus maximising interest;
  1. Disadvantages include:
* Meeting requirement of Governance and Accountability for Smaller Authorities in England;

1. **Unity Trust Bank**
   1. Unity Trust Bank have a full UK Banking Licence regulated by the FSA, subscribe to the Business Banking Code and customers are covered by the Financial Service Compensation Scheme. The bank is set up to provide banking to the ‘social economy sector’ (charities and public bodies).
   2. Their electronic banking system meets the requirements of Governance and Accountability for Smaller Authorities in England by triple authorisation (one user submits transaction and two users authorise via ‘pending transactions’ screen)
   3. Paying in is at certain high street banks.
   4. Cheque book can still be used if required.
   5. Monthly fee for Current Account is £6.00
   6. Interest rate for Deposit Account is AER 0.200%
   7. A number of other Parish Councils use Unity Trust Bank including Alderminster, Castle Bromwich and the Warwickshire Association of Local Councils and find the bank and its systems to be satisfactory.
   8. For further information see <https://www.unity.co.uk>
2. **Proposal**

To open both Current and Deposit Accounts with Unity Trust Bank and to close the HSBC accounts with effect from 1 April 2018.

1. **Action Required**

To consider and debate the proposal which could include identifying queries to be researched and deferment of decision until such time as research complete.