

To Hythe Town Council
Date 20 November 2019
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **INTERNET BANKING REPORT F&GP/15/19**

SUMMARY: This report provides information on the options offered for internet banking with the current and alternate banking providers.

REASON FOR RECOMMENDATION:

The Committee is asked to agree the recommendations set out below because:-

- a) The Council is committed to control and manage its financial affairs in accordance with The National Association of Local Councils (NALC) guidelines.

RECOMMENDATIONS:

1. To receive and note the report F&GP/15/19
2. To recommend to adopt one of the options set out below.

INTRODUCTION

As per the Internal Audit report for year ended March 2019. The Council still had huge sums of money held with NatWest although £75,000 was deposited with Nationwide in March 2019 (Business Instant Saver Issue 7 – 0.06%).

Total funds in NatWest was £440,888, Nationwide £75,000 and NSI £156,193 as at 31 March 2019.

Net funds after taking into account the petty cash balance, Mayors Fund and unrepresented cheques was £645,571 as per Box 8 on the Accounting Statements 2018-19.

With the closure of the local NatWest in Hythe, serious consideration of alternative banking arrangements were necessary.

Online banking with the National Westminster bank has since become live with the only authorised access administered by the RFO.

Option A:

Further investigations and a recommendation by the Internal Auditor to move some of the Council's funds away from the NatWest suggests a transfer to internet banking with Unity Trust Bank based in Birmingham.

Unity Trust have their own accreditation with FSCS up to £85k that is protected.

The triple authority selection allows the RFO to have view, submit and administration rights and nominated Councillors would be given authorisation only rights.

Payments would be loaded up into Unity Trust ready for processing.

Two of the authorised signatories then check and authorise. The first Councillor will tick the boxes within Unity Trust, the second Councillor will be advised on screen that they are the second signatory. Thus preserving the two signature system and Councillors are clicking the box to pay NOT the RFO.

You can still pay in or withdraw from the local Natwest branch or you can set up a Post Office cash account card so that the Council can pay cash in at the local Post Office.

For further details the website is WWW.unity.co.uk

The account best suited would be the Unity Current account for income between £100k and £2m.

The fee for this account would be £6 per month plus 15p per individual credit and debit transaction (charged quarterly). No credit interest is paid on this account and no debit card is supplied. Service charges are attached (Addendum 1).

Unity Trust Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Unity Trust Bank is entered in the Financial Services Register under number 204570.

Registered Office; Unity Trust Bank, Four Brindleyplace, Birmingham. B1 2JB.
Registered in England and Wales no. 1713124.

Option B

Hythe Town Council currently bank with the National Westminster Bank who have recently closed their autopay fax/phone service. The RFO has the only access to online banking, however Natwest now offer an Autopay online service. The monthly fee is £15 per month along with a transaction charge of 35p per payment. This service also offers control over user access and privileges.

Here is the link for further details

<https://www.business.natwest.com/business/business-banking/making-and-accepting-payments/bacs-payments/autopay-online.html#1>

Option C

To retain the current procedure to which two signatories are asked to manually sign a list of payments to be made online by the RFO. This Option is not recommended by the Internal auditor and is High Risk.

SUMMARY

Option A has been recommended by the Internal Auditor and KALC. A lot of Local Councils are now transferring their accounts over to Unity Trust.

Option B keeps the National Westminster account but adds an extra security measure to online payments.

Option C is not recommended.

The internal Auditor has recommended that as there are too many funds held in the National Westminster Bank that is not protected by the FSCS, some of the Councils funds be moved away from Natwest.

By choosing Option A this would ensure that the income to cover the annual budget expenditure is held in the Unity Trust account each year (with the exception of payroll and direct debits already authorised by Council). Thus ensuring two signatories are required online to release payments and reduce the monies held with Natwest.

CONTACT OFFICER

If you have any queries about this report please contact The Responsible Financial Officer of the Council

Tel: 01303 266152 or email RFO@hythe-tc.gov.uk prior to the meeting.