West Horsley Parish Council

**Briefing Note on the Opening of a Second Bank Account.**

**Introduction**

On 31st December 2022 the balances for West Horsley Parish Council's three bank accounts were:

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|---|---|
| Treasurer's Account: | £ 14,644 |
| Business Savings Account: | £ 80,360 |
| Bequest Account: | £ 17,305 |
| | |
| Total Savings: | £112,309 |

Under the Financial Services Compensation Scheme, the UK's deposit guarantee scheme, only the first £85,000 per person, per UK banking licence, is protected. This would currently leave £27,309 of the Parish Council's funds at risk. With our precept set to increase the amount in our savings account is likely to increase periodically too.

We have been advised by our internal auditors, Mulberry and Co, to consider opening a second bank account with a different financial services firm to cancel this risk. We do not need to, but if we decide not to this decision should be minuted.

Having sought recommendations from a number of neighbouring parish councils, a list of six organisations was researched, four of which were found to be suitable options. The findings, are as follows:

**1. Skipton Building Society**

Established in 1853. Sustainability is high on agenda. Working towards net zero. Winner of multiple awards in 2022. Branch in Guildford High Street.

<u>Type of Account: Community Saver Account</u>

- AER 2.36% variable paid annually
- Withdrawals can be made by cheque, cash (in branch only), electronic payment (but not Direct Debit) to up to two nominated UK bank accounts that are held for the same organisation
- Up to four people acting as signatories or trustees for the account
- No fees
- Skipton Building Society is a member of the Building Societies Association. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FSCS Applies

2. **Unity Trust Bank**

An award-winning ethical bank that helps organisations to grow and make a positive difference to their communities. Also works with the following sectors: education, healthcare, charities, trade unions. HQ in Birmingham.

Type of Account: Instant Access Savings Account

- AER 1.71%
- Internet banking access 24 hrs a day. Funds can only be transferred to a nominated account; they cannot be 'withdrawn' and payments cannot be made.
- No fees
- Unity Trust Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FSCS applies

**3. CCLA Investment Management Limited**

UK's No.1 charity assest manager working with churches, local councils, charities and individual investors. Integrates environmental, social and governance (ESG) factors into its investment process across all asset classes. HQ in London.

Type of Account: Public Sector Deposit Fund

- Latest yield (at 6 Jan) 3.4115%
- A short-term, cash management solution designed for local authorities. Suitable for short term investments where you are seeking a high level of capital security and a competitive rate of interest.
- CCLA charges an annual management fee (AMC), currently charged at 0.08%. This fee is automatically taken from the fund.
- CCLA Investment Management is authorised and regulated by the Financial Conduct Authority. FSCS does not apply
- Investments can go up as well as down

**4. Metro Bank**

Metro Bank is a retail and business bank, committed to lending into communities. Says it is a socially responsible and ethical organisation. Branch in Guildford High Street.

Type of Account: Community Instant Access Deposit Account

- AER 0.5% calculated daily and paid monthly
- Withdrawals on this account can only be made in store or by post
- Input/verity/authorise available
- No fees
- Metro Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FSCS applies

**Recommendation**

Members are recommended to approve the opening of a savings account with Skipton Building Society. Its Community Saver Account offers a good rate of interest and a secure electronic payment system (which negates any risk of funds being mis-directed). It charges no fees and has a branch in Guildford High Street. Members are also recommended to approve the Clerk, Cllr Best, Cllr King, and Cllr Buosi as signatories for the account.

*Prepared by the Clerk 12/1/23*