

POLICY, GOVERNANCE & FINANCE COMMITTEE

Date: Monday 22 November 2021

Title: Bank Accounts & Mandate

Contact Officer: Town Clerk – Sharon Groth

Background

At the Annual Council meeting the Council delegated banking responsibilities to this Committee, and to be the signatories on the bank accounts accordingly. The purpose of this report is to formalise the Council's banking arrangements further and to document it accordingly formally in the minutes to present to the bank and a clear resolution from the Council.

Bank Mandate and Signing Arrangements

As previously reported, cheques over the value of £5,000 must be signed off by two Councillors in line with the Council's financial regulations, and the historic Bank Mandate. Whilst in the past it has been desirable that all Councillors were able to sign cheques – it was agreed at the Annual Council in May that at least eight Town Councillors were to be designated as signatories on the Council's bank accounts - this Committee Membership being those designated.

For information Members currently still designated signatories are the following: Cllrs Harvey, King, Eaglestone and Enright, due to previously being elected.

On the earlier instruction the Town Clerk had delegated the task of updating the bank mandate to the RFO, however it would appear that getting members of the Committee to verify their ID and sign the mandate has not taken place.

However, the Town Clerk is growing increasingly concerned by the level of service received by its current banking provider. As the only authorised personnel to be able to act on behalf of the Council, in order to verify the legitimacy of cheques she is the only person the bank will speak to. Often, she is unavailable, and the bank need swift answers in order to pay the cheques drawn by the Council to suppliers. This has recently resulted in several cheques being referred unpaid to what they have referred to as 'suspected fraudulent transaction'. It then requires a considerable amount of admin to reissue another cheque in the hope that it would be acceptable by the bank – this has sometimes then delayed the receipt of goods such as the replacement defibrillator for Burwell Recreation Ground.

Barclays Bank do recognise that we have a complex mandate and the Town Clerk has spoken to various bank personnel about the situation. It is likely that the above problem with

cheques would be resolved if internet banking was put in place – and the Council have already agreed this but the bank requires the mandate to be updated before this can be set up.

There are benefits of continuing with Barclays Bank – such as the fact that the Council doesn't currently pay bank charges – although if it were to go over to electronic banking then there would be charges associated with this service. But there would be greater control. The convenience of currently having the branch across the road for paying in cash as well as getting petty cash – where as some other banks such as the Co-operative and Unity require you to go to the post office – as Members may be aware this is located in WH Smiths and there is currently issues with opening times and queues.

Whilst the Town Clerk was minded to make a recommendation to change bankers, it is likely that no bank could provide an ideal service for the complexities of such a local authority. Banking is a problem in this sector and one that is recognised by NALC who are currently trying to work with the banks to educate them on the type of service and facility required.

Recommendations

Members are invited to note the report, consider the banking issues detailed above, and if appropriate reaffirm:

1. that the Members of the Policy, Governance and Finance Committee be authorised signatories on Barclays Bank mandates – and that those present sign the forms;
2. that the Town Clerk is also listed on the bank mandate for the Barclays Bank General and Business Premium Account as being able to deal with transfers between accounts as well as setting up direct debits;
3. that the Office Manager is set-up as a key contact, along with the RFO when appointed as well as the Policy, Governance & Finance Administrator and be able to cash cheques upto £500 at the local Barclays Bank branch to replenish the Council's petty cash account;
4. the implementation of online banking with the Council's current banking provider, Barclays Bank PLC, be set up as a matter of urgency.