



## **Radyr & Morganstown Community Council Cyngor Cymuned Radur a Threforgan**

### **Agenda Item 10**

**Meeting:** Finance Committee

**Date:** 6 July 2023

**Report Author:** Clerk to the Council

### **Financial Assets held by the Council**

#### **Introduction**

1. The Council has agreed that a business account is opened with the Co-operative bank (Signatories to be the same as existing.)
2. The Council agreed that a sum of £85,000 is to be transferred to the Co-operative bank from Unity Trust Bank account \*\*\*\* 9011.
3. This was agreed as part of the Council's consideration of the need to protect the Council's position in relation to funds invested with the Unity Trust Bank should the bank encounter financial difficulties. The Council's eligible deposits with Unity Trust Bank plc are protected by the Financial Services Compensation Scheme (FSCS), the UK's deposit guarantee scheme. The protected threshold is only up to £85,000 for the Council's total funds. The Council's insurance policy would not cover any such loss.

#### **Key Issues**

4. This report updates Members on the current position, following discussions with the Chair of the committee.
5. The Community Interest Account is for registered charities, co-operatives, credit unions and community-interest companies. It is the product which most closely suits our needs. There is no monthly service charge and free everyday banking. Account holders are eligible to apply for grants from the customer donation fund.
6. The account is a current account rather than a savings account. The bank would therefore wish to see activity on the account rather than leave a sum in the account just as savings.

7. It is therefore proposed to transfer £50,000 to the Co-operative bank from the above Unity Trust account, which is the account used for OCR income. The balance on 30 May 2023 was £113,429.89. Very little expenditure comes from this account. The maximum amount which could be transferred is £150,000 per day.
8. To ensure that there is activity on the account, a set sum could be transferred of, for example, £250 per quarter. Some modest regular expenditure could also be financed from the account.
9. In the meantime, the Clerk is continuing to complete an [application form](#) for the account. The form is lengthy and will take time to complete. Some further discussions may be needed to ensure that the correct and most relevant information can be provided.

### **Financial Implications**

10. None at this stage. Any expenditure would come from approved resources or require approval.

### **Links to Corporate Objectives**

11. The Council's Annual Report confirms that the Council's objectives include delivering:  
A Prosperous Community. A Resilient Community. A Healthier Community.  
A More Equal Community. A Cohesive Community. A Community of Vibrant Culture & Thriving Welsh Language. A Globally Responsive Community.
12. The issues described in this report will protect the Council's assets and thus help the Council deliver these Wales-wide sustainability goals and

### **Staffing Implications**

13. N/A at this stage.

### **Risk Management Implications**

14. Key risks relating to Council services etc. are addressed in the Risk Register.
15. Failure to protect funds in Council bank accounts in the event of Unity Trust Bank experiencing financial difficulties is highlighted as a key risk. Failure to meet Old Church Rooms loan repayments is also highlighted. The Register confirms that loan repayments will be monitored. Earmarked loan reserves are in place.

### **Legal Implications**

16. The Council's eligible deposits with Unity Trust Bank plc are protected by the Financial Services Compensation Scheme (FSCS), the UK's deposit guarantee scheme. Details are in the link below <https://www.fscs.org.uk/what-we-cover/banks-building-societies>
17. The existing OCR loan has been taken out with the Public Works Loans Board. No additional approvals would be required to clear the loan.

### **Recommendation**

18. It is **recommended** that Members consider the arrangements described above.