



Radyr & Morganstown Community Council Cyngor Cymuned Radur a Threforgan

Agenda Item 9

Meeting: Finance Committee

Date: 2 March 2023

Report Author: Clerk to the Council

Financial Assets held by the Council.

Introduction

1. Members have identified the need to examine the Council's arrangements for holding its funds. This is to help spread the risk over more than one institution but also to minimise risk to the Council's assets.
2. All funds are currently held with the Unity Trust Bank. 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 up to £85,000 for the Council's total funds. The Council's insurance policy would not cover any such loss.
3. Only £85,000 of the above would be covered by the Financial Services Compensation Scheme (FSCS).

Key Issues (1)

4. This report updates Members on options to invest with other financial institutions. This follows enquiries made by the Clerk in consultation with the Chair of the committee.

1. Nationwide Building Society	Nationwide do not offer products to town & community councils.
2. Principality Building Society	Principality do not offer products to town & community councils.

3. Cardiff & Vale Credit Union	The Credit Union serves the people of Cardiff & Vale of Glamorgan with loans and savings accounts but do not offer products to town & community councils.
4. Co-operative bank	<p>The Co-op are known to provide a service for town & community councils through their business banking service. Details can be seen here: https://www.co-operativebank.co.uk/business/</p> <p>The Business Direct Plus product may be the most suitable. A minimum of £1,000 must remain in the account. The product is free for 30 months and a monthly fee of £7 is then incurred.</p> <p>The bank also has a strong ethical dimension to its services.</p>
5. Monmouthshire Building Society	The Monmouthshire Building Society are known to provide a service for town & community councils through their Community Saver product. There is an investment limit of £100,000.

5. Members are asked to consider the above information and determine a way forward.
6. Experience suggests that the administrative arrangements for opening a new account are complex but not insurmountable.

Financial Implications

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

Links to Corporate Objectives

8. 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.
9. The issues described in this report will protect the Council's assets and thus help the Council deliver these Wales-wide sustainability goals.

Staffing Implications

10. N/A at this stage.

Risk Management Implications

11. Key risks relating to Council services etc. are addressed in the [Risk Register](#).
12. 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

13. 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>
14. 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

15. It is **recommended** that Members consider the above information pending further, detailed discussion.