



Stanley Town Council

NOTICE OF MEETING

I hereby give notice that a meeting of the Finance and General Purposes Committee of Stanley Town Council will be held on Tuesday, the 12th July 2022 at 6.30pm at Stanley Civic Hall.

TO ALL MEMBERS of STANLEY TOWN COUNCIL FINANCE AND GENERAL PURPOSES COMMITTEE

G Binney*
A Jones
J Nicholson

A Hanson§
J Kane
D Tully

H Clark
J McMahon
O Milburn∞

L Ferry
S McMahon
A Clegg∞

*Chairman § Vice-Chairman ∞Ex- Officio

You are hereby summoned to attend a meeting of the Finance and General Purposes Committee of Stanley Town Council to be held in Stanley Civic Hall, Front Street, Stanley, DH9 0NA, on Tuesday the 12th July 2022 at 6.30pm in order to transact the following business:

Yours sincerely,

Helen Richardson
Town Clerk
5 July 2022

Please turn off all mobile phones or set to silent mode
Please refer to the Policy for recording proceedings

A G E N D A

1 APOLOGIES FOR ABSENCE

To **RECEIVE** any apologies and reasons for absence.

2 DECLARATIONS OF INTEREST

Members are invited to **DECLARE** disclosable pecuniary interests and other interests, along with the nature of those interests, in relation to any item on this agenda.

3 PROCEDURAL AND APPROPRIATE ANNOUNCEMENTS FROM THE CHAIR

To **RECEIVE** announcements from the Chair or Town Clerk.

4 PUBLIC PARTICIPATION

An adjournment will be allowed at the direction of the Chairman to allow for public comment and response in relation to items on this agenda or to consider written questions from the public submitted in advance of the meeting (*Individuals will be permitted a maximum of three minutes each. Total time for this session is limited to fifteen minutes*).

5 CONFIRMATION OF MINUTES

To **APPROVE** as a correct record and sign the minutes of the Finance and General Purposes Committee meetings held on

- 14th June 2022 **(ATTACHMENT A)**

6 ACCOUNTS FOR PAYMENT & BANK RECONCILIATION

Statutory Basis: Accounts & Audit (England) Regulations 2011

May 2022

Schedule of Payments	(ATTACHMENT B)
Schedule of Receipts	(ATTACHMENT C)
Bank Reconciliation & Bank Balances	(ATTACHMENT D)

Committee is requested to **CONSIDER** the attached information and:

- APPROVE** the payment of accounts for May 2022, and,
- NOTE** the Bank Reconciliation for May 2022.

7 RESERVES **(ATTACHMENT E)**

FINANCIAL SERVICE COMPENSATION SCHEME

Committee is requested to **REVIEW** and **DISCUSS** the attached report and **DECIDE** what to do.

Please Note – Attachment is the original report from 17th November 2020- which could not be actioned following restrictions to new customer accounts by banks following COVID 19 pandemic.

8 ACTION LOG

To **REVIEW** outstanding actions from previous meetings and to **NOTE** the current position.

9 EVENTS UPDATE

To **RECEIVE** and **NOTE** the verbal update from the Clerk.

10 DATE, TIME AND VENUE OF NEXT MEETING

Tuesday 13th September 2022, 6.30pm, Stanley Civic Hall.

In accordance with the Public Bodies (Admission to Meetings) Act 1960, members of the public and press are welcome to attend the meeting. Members of the public will only be permitted to speak at the beginning of the meeting during Public Participation.

MINUTES of the FINANCE AND GENERAL PURPOSES MEETING of STANLEY TOWN COUNCIL held at Stanley Civic Hall on Tuesday 14th June 2022 at 6.30pm

PRESENT: G Binney* A Hanson H Clark A Clegg
D Tully S McMahon L Ferry J Nicholson
O Milburn A Jones

*Chairman

OFFICERS: Helen Richardson (Town Clerk)
Michelle Robertson (Events & Admin Support Officer)
Peter Burns (Facilities & Events Officer)

Cllr Binney welcomed everyone to the meeting and confirmed the meeting is being recorded and will be downloaded to YouTube for a period of at least 6 months.

17 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr J Kane and Cllr. J McMahon.

18 DECLARATIONS OF INTEREST

No declarations of interest were received.

19 PROCEDURAL AND APPROPRIATE ANNOUNCEMENTS FROM THE CHAIR

No announcements from the Chair.

Town Clerk requests committee approve an item to be brought straight to June 2022 Full Council. Durham County Council have requested a review of the lease held for the Annfield Plain Community room. This is an urgent matter.

Council **ACCEPTED** Town Clerks request.

20 PUBLIC PARTICIPATION

No members of the public were present, and no questions had been received in advance.

21 CONFIRMATION OF MINUTES

It was proposed by Cllr. A Clegg, seconded by Cllr. A Hanson & **RESOLVED** that the minutes from the Finance and General Purposes Committee meeting held on 10th May 2022 be **APPROVED** and signed as a correct record.

22 ACCOUNTS FOR PAYMENT & BANK RECONCILIATION

Cllr. H Clark queries £20k payment to Reece Sibbald Productions. Town Clerk advises this is the 1st payment towards the production of the 2022 Christmas Pantomime production of Cinderella.

Cllr. O Milburn queried possible missing information from the E-Payments section of Attachment D. The Town Clerk advised she would follow this up following the meeting and distribute an amended copy via email to all members.

It was proposed by Cllr A Hanson, seconded by Cllr. A Jones and **RESOLVED** that the committee **APPROVES** the payment of accounts for April 2022 and **NOTES** the bank reconciliation for April 2022.

23 ACTION LOG

The Town Clerk explained there had been no change to the Action Log.

Town Clerk provides an update to Action Points previously added to the log.

1. Police Vans.

UPDATE - this is still ongoing. Town Clerk chasing a response from the Police & Crime Commissioners office in relation to the financial support they were going to find us to be able the Town Council to continue to support the two Police vans outside of the three year warranty. Dave Stewart has been in contact as one van is due service he needs to know if we will continue to pay for them. Will continue to chase this up.

The discussion was **NOTED**.

24 TOWN COUNCILLOR ATTENDANCE AT MEETING REVIEW

Town Clerk provided an update on the attendance records. This is correct based on the information we have. Town Clerk encouraged all members to attend the meetings. Suggested this should be discussed and advise of any action they wish to make.

Cllr. A Clegg suggested a register should be signed by all attendees as they enter the meeting, which has been done in the past.

Cllr. H Clark suggest a reminder be sent to members prior to meetings.

Cllr. O Milburn agrees with Cllr H Clark, possibly even a letter to be sent out.

Committee **AGREED** this action. Action to be added to Action Log.

25 EVENTS UPDATE

Town Clerk confirmed a meeting with the Events Working Group on Wednesday 15th June 2022. Armed Forces Day is coming up on 26th June 2022, details have been added onto Social Media and Website which is being well received.

Invitations to join the working group sent out Cllr. D Tully will attend with the existing members. This will start putting in place plans for future events.

75th Louisa Memorial Disaster will be discussed, to decide if we will join with Morrison Lodges Banner Group at Annfield Plain Park.

Cllr. O Milburn requested to also be part of this working group.

Committee **NOTED** the update.

26 MEETING SCHEDULE AND COMMITTEE STRUCTURE

Town Clerk provided an update following discussion at AGM, an email was sent out to all members asking for suggestions for alternative days and times which work best for members. The conclusion was that the current schedule works best.

In regard to the structure of the committee it was suggested that this be carried over for discussion at Full Council.

Town Clerks has suggested two new working groups;

1. Staffing Working Group
A smaller group of councilors that can be consulted on issues rather than bringing this to Full Council which can be of a sensitive nature.
2. Civic Hall Working Group – future of the building, a group of councilors to take things forward and feed into Full Council. A smaller group can make things work faster on occasion.

Cllr. J Nicolson welcomes the idea of a Staffing Working Group, so the correct support is in place for all staff.

Cllr. S McMahon agrees that this should be in place and suggested training for members of the group to be provided so they are properly prepared to deal with this.

Committee **AGREED** this action.

27 DATE, TIME AND VENUE OF NEXT MEETING

Tuesday 12th July 2022, 6.30pm, Stanley Civic Hall.

ATTACHMENT B

Schedule of Receipts May 2022

Centre	£ Amount	Transaction Detail
Invoices Paid (Civic Hall) (100)		
100	1,270.00	Wes Fagan Kickboxing Event
100	325.00	Joleen Craggs
100	230.00	Just for Women
100	352.00	Cheesy Waffles Youth Project
100	189.00	Stanley Young Peoples Club
100	1,330.00	Catherine Smith
100	346.80	Stanley Civic Hall Art Group
100	100.00	The Wright Theatre School
100	526.00	The Wright Theatre School
100	3.00	The Wright Theatre School
100	110.00	U3A
100	50.00	J Piggins
100	50.00	Swan Kenny Theatreworks
Administration (105)		
Administration (110)		
110	9.66	Loyalty Reward
110	1.22	Loyalty Reward
(201)		
201	8.32	Petty Cash Closed
(202)		
202	10.00	Petty Cash & refund float-bank
(205)		
205	2.51	Petty Cash & refund float-bank
(450)		
450	2,578.25	Kickstart
Civic Hall (500)		
500	16.25	20220427-20220430 Websales
500	5.83	20220427-20220430 Websales
500	66.25	20220501-20220507 Websales
500	13.33	20220501-20220507 Websales
500	46.25	20220508-20220514 Websales
500	13.33	20220508-20220514 Websales
500	135.00	20220515-20220521 Websales
500	35.83	20220515-20220521 Websales
500	100.83	20220418-20220424 Cash
500	100.00	20220522-20220526 Websales
500	15.83	20220522-20220526 Websales
500	300.00	Change Request
(510)		
510	404.83	20220509-20220515 Card WP

ATTACHMENT B

510	6.56	20220516-20220526 Card Sum Up
510	2,850.04	20220418-20220424 Cash
510	1,850.00	20220509-20220515 Cash
510	23.54	20220519-20220520 Bar
510	149.80	20220502-20220508 Cash
510	817.97	20220509-20220515 Card
510	232.63	20220502-20220508 Card
510	297.20	20220523-20220529 Card Sum up
510	349.13	20220516-20220529 Cash

1

Schedule of Receipts May 2022

Civic Hall Income For Future Shows (530)		
530	176.00	20220425-20220430 Card
530	422.00	20220502-20220508 Card
530	306.00	20220427-20220430 Websales
530	2,336.00	20220501-20220507 Websales
530	1,884.00	20220508-20220514 Websales
530	5,412.00	20220515-20220521 Websales
530	30.00	20220418-20220424 Cash
530	3,725.00	20220522-20220526 Websales
530	36.00	20220509-20220515 Cash
530	130.00	20220502-20220508 Cash
530	708.00	20220516-20220522 Card
530	352.00	20220509-20220515 Card WP
530	300.00	20220523-20220529 Card WP
530	312.00	20220516-20220529 Cash
Total	31,451.19	

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Invoice Date	Centre	A/C	Invoice Number	Ref No	Supplier A/c Name	Amount	Analysis Description
Stanley Town Council (101)							
27/05/2022	101	4000	30680334	5484	BROOK STREET	722.45	29.04.2022 Agency MR
27/05/2022	101	4000	30667948	5503	BROOK STREET	653.86	22.04.2022 Agency MR
27/05/2022	101	4000	30692802	5504	BROOK STREET	621.86	06.05.2022 Agency MR
27/05/2022	101	4010	601204852	5510	DCCRB	1,631.39	HR Payroll - SLA 2022/23
27/05/2022	101	4013	301205180	5512	DCCRB	148.75	HR Advice
31/05/2022	101	4013	601203938	5531	DCCRB	210.00	HR Advice
31/05/2022	101	4000	30705270	5538	BROOK STREET	768.18	13.05.2022 Agency MR
Office Accommodation (105)							
27/05/2022	105	4061	4118	5525	SNOWDON	250.00	May 22 Rent
Administration (110)							
27/05/2022	110	4999	28042022	5515	BARCLAYS	47.11	April 22 E-Payments
27/05/2022	110	4106	289574	5516	LOYVERSE	20.00	May 22 Loyverse Subscription
27/05/2022	110	4999	21042022	5522	BARCLAYS	12.85	April 22 Mixed Charges
31/05/2022	110	4123	235393	5543	ASPIRE	19.20	IT - Support
31/05/2022	110	4105	270841	5549	DOCUMENTSOLUTIONS	45.80	April 22 Photocopies
Publicity (115)							
27/05/2022	115	4205	2670	5499	JAK	160.00	May I&A Advert
Democracy (200)							
Services (300)							
Pact House (305)							

31/05/2022	305	4049	4052022	5541	BHARAT AMIN	4,750.00	PACT Rent 02.11.22-02.05.22
AP Community Room (307)							
31/05/2022	307	4052	16914799	5537	CORONA	62.84	May 22 Electric AP Hut
31/05/2022	307	4050	08/05/2022	5548	DURHAMDD	339.39	05.05.21-31.03.22 Rates AP Hut
31/05/2022	307	4050	05/04/2022	5550	DURHAMDD	56.25	May 22 Business Rates AP Hut
31/05/2022	307	4052	IN0001286636	5557	CORONA	19.68	April 22 Electric AP Hut
Warden Service (310)							
27/05/2022	310	4116	252931431	5523	DURHAMDD	6,385.00	Warden Service May 22
Events (320)							
27/05/2022	320	4423	44367	5511	AAFLAGS	378.00	Bunting
31/05/2022	320	4439	2657696822/22	5533	TOTALGAS	29.62	01.02.22-30.04.22 Unit 9 Elec
31/05/2022	320	4439	265796800/22	5534	TOTALGAS	29.62	01.02.22-30.04.22 Elec Feeder
31/05/2022	320	4439	265796811/22	5536	TOTALGAS	29.96	01.02.22-01.05.22 Elec Feeder
31/05/2022	320	4423	8361	5545	IBA FABRICATIONS	4,800.00	Jubilee Installation
31/05/2022	320	4439	IN0001286635	5558	CORONA	16.18	April 22 Xmas Kiosk Electric

Invoice Date	Centre	A/C	Invoice Number	Ref No	Supplier A/c Name	Amount	Analysis Description
Environmental Services (350)							
27/05/2022	350	4066	189279	5489	GUSTHARTS	177.52	Tools and equipment
27/05/2022	350	4065	10650	5496	JG UNIFORMS	23.85	Clothing
27/05/2022	350	4065	10681	5498	JG UNIFORMS	232.84	Clothing
27/05/2022	350	4065	SO154505	5500	PROGREEN WEED	77.80	Repairs and Maintenance
27/05/2022	350	4065	189981	5508	GUSTHARTS	71.60	Repairs and Maintenance
27/05/2022	350	4065	72	5513	MAIN	32.48	Repairs and Maintenance
27/05/2022	350	4130	675971	5521	DAWSONGRP	450.90	April 22 Van Hire
27/05/2022	350	4134	59337	5526	STANLEY	285.00	Coach Hire
31/05/2022	350	4133	30032022	5529	WOODSHEDCIC	395.00	Environmental Campaign
31/05/2022	350	4131	30042022	5532	ALLSTAR	90.64	April 22 Fuel
31/05/2022	350	4066	189722	5546	GUSTHARTS	659.10	Tools and equipment
31/05/2022	350	4131	E2015286365	5559	ALLSTAR	98.28	April 22 Fuel
31/05/2022	350	4134	1336127	5562	PMI CREATIVE	62.00	Posters

(450)							
27/05/2022	450	4000	30680333	5483	BROOK STREET	763.60	29.04.2022 Agency SP
27/05/2022	450	4000	30667947	5505	BROOK STREET	589.85	22.04.2022 Agency SP
27/05/2022	450	4000	30692801	5506	BROOK STREET	438.96	06.05.2022 Agency SP
Civic Hall (500)							
27/05/2022	500	4700	ILD01	5482	CHRISTINE ECCLES	4,224.00	Here Come The Girls
27/05/2022	500	4998	27053	5486	HOG100	376.23	March 22 Websales
27/05/2022	500	4065	252924857	5490	DCCRB	136.32	Repairs and Maintenance
27/05/2022	500	4650	6272229	5491	FILMBANK	83.00	Cinema - Spiderman No Way Home
27/05/2022	500	4650	6272225	5492	FILMBANK	83.00	Cinema - Rons Gone Wrong
27/05/2022	500	4650	6272226	5494	FILMBANK	110.25	Cinema - Encanto
27/05/2022	500	4425	24/04/2022	5495	TACAIN	220.00	Tech Support 23.04.2022 WF
27/05/2022	500	4650	6272227	5497	FILMBANK	83.00	Cinema - Clifford
27/05/2022	500	4065	06/05/2022	5502	GEE	198.00	Repairs and Maintenance
27/05/2022	500	4059	1218	5507	A1 LAUNDRIES	366.61	Laundry
27/05/2022	500	4059	1239	5509	A1 LAUNDRIES	23.96	Laundry
27/05/2022	500	4065	72	5513	MAIN	54.68	Repairs and Maintenance
27/05/2022	500	4051	10369023	5514	WAVE	554.61	11.01.2022 - 10.04.2022 Water
27/05/2022	500	4998	204109084	5518	WORLDPAY	42.95	April 22 Worldpay
27/05/2022	500	4998	203939946	5519	WORLDPAY	43.29	April 22 Worldpay
27/05/2022	500	4998	204091160	5520	WORLDPAY	12.78	April 22 Worldpay
31/05/2022	500	4050	8052021	5530	DCCRB	858.00	May 22 Business Rates
31/05/2022	500	4052	2651595/22	5535	TOTALGAS	1,386.61	Civic Hall April 22 Electric
31/05/2022	500	4100	235658	5542	ASPIRE	861.90	April 22 Tele/IT Charges
31/05/2022	500	4105	270841	5549	DOCUMENTSOLUTIONS	32.70	April 22 Photocopies
31/05/2022	500	4079	65495	5561	LA SECURITY	320.00	Doorstaff 23.04.2022

Invoice Date	Centre	A/C	Invoice Number	Ref No	Supplier A/c Name	Amount	Analysis Description
Civic Hall Bar (510)							
27/05/2022	510	4600	27154	5493	BLUEICE	57.95	Bar Stock - Slush
27/05/2022	510	4600	600064362	5524	SAMEDAYBEERS	395.90	Bar Stock
31/05/2022	510	4601	1774	5527	AMAZON	41.72	Bar Supplies
31/05/2022	510	4601	1773	5528	AMAZON	20.86	Bar Supplies

31/05/2022	510	4600	906566077	5539	MOLSON	576.03	Bar Stock
31/05/2022	510	4600	906566075	5540	MOLSON	872.62	Bar Stock
31/05/2022	510	4602	7463	5544	D WATSON	140.00	May 22 Stocktaker
31/05/2022	510	4603	145144612	5552	BOC	83.92	May 22 Bar - Gas
31/05/2022	510	4603	3068349103	5553	BOC	10.95	May 22 Bar - Gas
31/05/2022	510	4601	29042022	5554	ASDA	2.25	Bar Sundries
31/05/2022	510	4601	13052022	5555	ASDA	6.67	Bar Sundries
31/05/2022	510	4601	16052022	5556	ASDA	6.25	Bar Sundries
31/05/2022	510	4601	25052022	5560	ALDI	29.59	Bar Sundries
Loan Charges (520)							
						38,974.01	Monthly Expenditure Sub Total
Payroll April 2021 Deductions							
	4000	101			STC	4,847.94	
	4000	450			Civic Hall	1,654.53	
	4005	500			Casual Staff	-	
	4000	350			Environmental Services	2,843.82	
Payroll May 2021							
	4000	101			STC	4,360.07	
	4000	450			Civic Hall	3,388.65	
	4005	500			Casual Staff	1,878.64	
	4000	350			Environmental Services	5,441.50	

				SUBTOTAL	24,415.15	Monthly Payroll Total
				TOTAL	63,389.16	Overall Monthly expenditure

Date: 16/06/2022

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Time: 10:22

**Bank Reconciliation Statement as at 31/05/2022
for Cashbook 1 - Current Bank A/c**

User: ANNB

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page</u>	<u>Balances</u>
mixed payments account	31/05/2022		31,502.42
Savings Account	31/05/2022		838,525.71
Current Bank Account-e account	31/05/2022		25,239.06
			<u>895,267.19</u>
<u>Unpresented Cheques (Minus)</u>		<u>Amount</u>	
30/11/2021 100044 James Michael Crowley		25.00	
			<u>25.00</u>
			895,242.19
<u>Receipts not Banked/Cleared (Plus)</u>			
		0.00	
			<u>0.00</u>
			895,242.19
		Balance per Cash Book is :-	895,242.19
		Difference is :-	0.00

Date	Description	Money in	Money out	Balance
31/05/2022	Counter Credit SumUp Payments Acc PID154742-SUMUP BGC	£356.64	ATTACHMENT D	£31,502.42

Date	Description	Money in	Money out	Balance
19/05/2022	Funds Transfer 203351 43231674 FT		-£30,000.00	£838,525.71

ATTACHMENT D

Date	Description	Money in	Money out	Balance
			ATTACHMENT D	
31/05/2022	Cash Withdrawal POST OFFICE 92 FRONT STREET 31MAY 11.46 ATM	£730.95		£25,239.06



Protection of Stanley Town Council Funds

A report regarding the current Stanley Town Council banking arrangements, and if changes could be made in order to greater protect Stanley Town Council Funds.

1. Background

During the last financial crisis, some banks struggled to survive with some ultimately collapsing. The Government currently operates a Financial Services Compensation scheme that would cover a maximum investment of £85,000 should a bank collapse. At any time Stanley Town Council would have more than £85,000 within the bank, and at some times of the year, significantly more. Appendix 1 details Research undertaken including opinions from other bodies that should be taken into account.

Whilst on the surface this appears to be a major financial risk to Stanley Town Council it is worth considering that **bailouts** are more common than **pay-outs** and that the Financial Services Compensation Scheme is the last line of defence. See details below sourced from Money Saving Expert – Martin Lewis.

“With most of the banks that collapsed during the financial crisis, politicians stepped in with alternative remedies. Both Northern Rock and parts of Bradford & Bingley were nationalised, and Kaupthing Edge's savings business was transferred to ING Direct. That could be seen as a huge statement of intent that politicians will take extreme action to avoid a bank going to the wall. Of course, since then we've had a change of government, so we don't know how it'd work now – but it's likely similar things would be tried.

The only UK savings bank that went into liquidation was Icesave. Unlike fellow Icelandic bank Kaupthing, its structure meant it was technically an Icelandic bank, not a UK one. Even then, the Government covered every penny, not just the £35,000 compensation limit (as it was back then). Even with this though, while the Government's intention seems to be for no one to lose any cash, regardless of the amount they save, that ISN'T guaranteed”.

In 2008, over 100 Local Authorities and other Public bodies had a combined total of about £1bn in deposits invested in the Icelandic banks of Landsbanki, Glitnir, Heriable and Kaupthing Singer and Friedlander. The collapse of the Icelandic Banking Structure led to these deposits being initially lost, placing many Local Authorities and Public bodies in difficult financial circumstances. As of February 2014, all Local Authorities and Public bodies who took action via the Local Government Association had 95% of the deposits invested in said Icelandic Banks returned to them. Action by the UK Government and the Local Government Association led to this recovery. Deposits in Icelandic Banks were deposited as Investments based upon a high yield return and were not linked in anyway to standard business bank accounts.

2. Current situation at Stanley Town Council

Currently Stanley Town Council bank with Barclays Bank PLC. We have 3 accounts which we use to manage the funds and make payments etc. the majority of the money is held in a savings account and will be moved into the other accounts to make payments as necessary.

If the current bank was to collapse, under the Financial Services Compensation scheme we would be covered for up to £85,000.

Barclays Bank were one of few UK registered Banks that did not receive a Government Bailout following the last financial crisis.

The table in Appendix 2 below demonstrates our balances at the end of each month during the last twelve months and the unprotected amount (balance less £85,000). As you can see our funds are greater in September & April which is when our precept is paid which reduces in the following months as we draw down to cover our expenditure.

3. New Banking Options/Considerations

We could consider spreading our current reserves around different banks, however due to the current Covid 19 pandemic the more reputable banks are not looking at taking on any new business customers, instead concentrating on supporting current businesses. Barclays bank are currently the only large bank that are taking on new customers.

4. Summary and Options

Currently we use one bank for all of our banking (Barclays), under the current Financial Services Compensation Scheme, if the bank was to collapse then we would be entitled to £85,000 compensation, though in previous cases of banks collapsing during the last financial crisis, the Government stepped in to bail out the bank.

At the present time we are unable to set up new business accounts with reputable banks however when the current climate changes the following options could be considered.

We currently have two options available

1. Leave the banking arrangements as they presently are based on the current risk being low and rely on the Government to support customers/banks with bailout or payouts should the bank collapse.
2. Look to set up additional bank accounts in which to deposit some of the reserves to spread the risk when able (of which further costs will be applied)

5. Recommendations

It is **RECOMMENDED** that:

- (i) The council **CONSIDERS** the report and **DECIDES** what to do.

Report Author

Ann Barry
Finance Officer
Stanley Town Council

ann.barry@stanley-tc.gov.uk
01207 299109

Appendix 1**Research**

Research into our current Bank Accounts with Barclay's identifies if our current bank failed, under the Financial Services Compensation scheme we would be covered for up to £85,000.

Should members decide, Stanley Town Council could move some of the reserves into another bank account (some banks with different names trade under the same license so there would be a requirement to make sure the appropriate bank was selected that had no association with Barclays Banking Licence). From an Operations model, managing multiple bank accounts is not ideal, requiring multiple bank reconciliations on a monthly basis and possibly additional Audit requirements, however none of the above is not achievable.

If Members agreed to a Multiple Bank Account model, Officers would require direction as to an agreeable reserve split. E.g. to safeguard £170,000 would require one additional bank account, but based on the reserve level as at 05/11/2020 (£259,554) would leave £89,554 at risk. To safeguard £255,000, would require two additional bank accounts, but would leave £4,554 at risk.

See below guidance received from other bodies.

CDALC

We are not expecting any bank failures as a result of the current situation.

All we recommend is that councils (if they want to) can spread their reserves around different banks to ensure all funds are not in the same bank. This way if one bank does go down all is not lost.

I think most banks are carrying a good level of reserves themselves following the financial crash in the 2000's. (2008?)

Make sure the banks you are dealing with are reputable banks and you should have no problems – but can't guarantee that!!

Reserve Limit

It's recommended that a council should typically hold between and 3 and 12 months expenditure as a general reserve. So, assuming your precept is your expenditure you're looking at between £220,235 and your precept amount. Based on our current reserve we would have just over 3 months operating costs.

Mazars (External Auditor) Reserves

The Practitioner's Guide does not specify a threshold but does say that un-earmarked reserves can only be held for 'reasonable working capital' such as a project that has been discussed at a council meeting. We use a trigger for challenge of 15% above the higher of the precept or total payments as part of our testing. Thus, in most cases if reserves are higher than this amount without a formally earmarked purpose, we will raise an other matter in our audit report. However, we would always discuss the reasons for such high reserves with the clerk / RFO first.

Barclays the Financial Services Compensation Scheme advises that limit of protection is £85,000 per depositor per Bank.

Gordon (Internal Auditor)

Under Financial Services Compensation scheme it is £85,000. (Recently upped by £10,000). As long as the banks are not connected.

Appendix 2

	Balance at the end of each calendar month.	Unprotected amount (Balance - £85,000)
September 2019	756,266	671,266
October 2019	692,226	607,226
November 2019	650,459	565,459
December 2019	573,447	488,447
January 2020	448,355	363,355
February 2020	399,306	314,306
March 2020	315,237	230,237
April 2020	597,859	512,859
May 2020	523,466	438,466
June 2020	427,914	342,914
July 2020	361,357	276,357
August 2020	349,302	264,302