

Meeting	Full Council
Date	26 th July 2022
Report Title	Banking Arrangements Current Account
Agenda Reference	10A
Author	Jodie Smart, Finance Officer & Deputy RFO

Recommendations:

- To switch the current account to the Cooperative bank. Preferred option of the Community Account. Cooperative Business Account as second preferred option.**

Current Arrangement

The Parish Council currently uses a HSBC current account for the day-to-day transactions. This account was fee-free bank account until recently. The charges are now set as follows:

- Standing fee of £8 per month
- £1.50 per cheque
- £1.50 per £100 cash deposit or withdrawal
- 1.5% of any cash deposit or withdrawal

There are no charges for online transactions.

There is no interest on the credit balance.

The current projection for bank charges this financial year is £150.00.

Alternative Current Account Suppliers

The Finance Officer/Deputy RFO has investigated alternative banking arrangements. There are very few fee-free business bank accounts for organisations with a turnover of over £1m and the options below all give introductory fee free periods as detailed.

The most prudent option would be to go for a lower fee account which does not charge a percentage on top of transactional fees.

Bank	Cash Transaction Fee	Cheque Transaction Fee	Online Transaction Fee	Monthly Fee	Credit Interest	Fee Free Period
Barclays e-payments	£1.50 per £100	£1.50 per transaction	None	£8.50	5-15% of fees (depending on credit balance)	12m
Lloyds	£1.00 per £100	£0.85 per transaction	None	£7.00	None	12m
Cooperative Business Account	£0.75 per £100 after £2,000 free limit.	£0.25 after 100 cheques.	None	£7.00	None	30m



	Withdrawals free. Post Office deposits £0.80	£0.50 withdrawals.				
Cooperative Community Account	Free	Free	Free	Free	Free	Indefinitely May vary if turnover consistently over £1m.

Direct Comparison on Charges

Below is a comparison from the invoice of fees charged by HSBC for June 2022 transactions.

HSBC	£27.18
Barclays	£19.97 £22.18 (- £2.21 credit interest)
Lloyds	15.81
Cooperative Business	£8.00
Cooperative Community Account	Nil