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WINSFORD TOWN COUNCIL
FULL COUNCIL – 21 SEPTEMBER 2026

REVIEW OF BANKING ARRANGEMENTS/PROPOSAL TO TRANSFER PRIMARY BANKING SERVICES FROM CO-OPERATIVE BANK TO UNITY TRUST BANK

PURPOSE OF REPORT

To consider whether Winsford Town Council should transfer its main banking arrangements from the Co-operative Bank to Unity Trust Bank and to authorise officers to undertake the necessary steps should Council approve the recommendation.

BACKGROUND

Winsford Town Council currently holds its principal banking facilities with the Co-operative Bank. The Council receives interest of approximately **1.06%** on relevant balances.

As part of the Council's ongoing treasury management and financial governance responsibilities, officers have reviewed alternative banking arrangements available to local councils. Following discussions with Unity Trust Bank, information has been obtained regarding its services for local councils, savings products, online banking facilities, governance controls, customer support arrangements and account switching processes.

Unity Trust Bank advises that approximately 26% of UK local councils bank with them and that they operate a dedicated Public and Third Sector Team specifically supporting parish, town and community councils.

REASONS FOR REVIEWING BANKING ARRANGEMENTS

The review has been prompted by several factors:

Financial Return on Cash Balances

The Council currently receives approximately **1.06% interest** through its existing arrangements.

Unity's Instant Access Savings Account currently offers **1.95% interest**, representing an increase of around **0.89 percentage points**. This could potentially generate additional income on the Council's working balances and reserves.

Specialist Local Council Support

Unity has developed dedicated procedures and support systems specifically designed around local authority governance structures, including:

- Mandate change assistance.
- Support during councillor resignations and elections.
- Guidance on signatory changes.
- Local council-specific application processes.
- Dedicated Public and Third Sector customer support.

Banking Sector Changes
Many parish and town councils have experienced reduced levels of support from traditional high street banks as branch networks continue to decline. Unity's model is based on specialist sector support and digital delivery.

Potential Benefits of Switching

Improved Interest Earnings
The principal financial benefit would be access to:
- Instant Access Savings Account at 1.95%.
- Fixed-term deposit options.
- New 32-day and 95-day notice accounts.
- Ability to move funds between current and savings accounts online.

For illustration only:

Balance	Additional Return at 0.89%
£100,000	£890 per annum
£250,000	£2,225 per annum
£500,000	£4,450 per annum
£1,000,000	£8,900 per annum

Actual benefit would depend upon balances held throughout the year.

Enhanced Online Banking Controls
Unity offers:
- Single authorisation.
- Dual authorisation.
- Triple authorisation arrangements.
- Flexible internal and external payment controls.
- Administrator, submitter and authoriser roles.
- Transaction approval workflows.

These controls align well with local authority financial regulations and internal control requirements.

Dedicated Local Council Team
Benefits include:
- Specialist understanding of council governance.
- Dedicated local councils email support.
- Guidance during elections and mandate changes.
- Support if councillor resignations affect account signatories.
- Assistance with account administration and compliance.

Current Account Switching Service
Unity participates in the Government-backed Current Account Switch Service (CASS).

The service can provide:

- Transfer of standing orders.
- Transfer of direct debits.
- Transfer of regular incoming payments.
- Seven working day switching process.
- Full or partial switch options.

Modern Banking Facilities
Features include:

- Online statements.
- Bulk payment capability.
- BACS services.
- Accounting software integration through Open Banking.
- Multiple user access levels.
- Online mandate changes.
- Secure digital statements.

POTENTIAL DISADVANTAGES AND RISKS
Whilst there are advantages, Council should also carefully consider the following matters.

No Local Branch Network
Unity does not operate a traditional branch network.
Instead:

- Cash can be paid in through Post Offices – this is the same as the current arrangements
- Cash and cheque facilities are available through NatWest branches.
- Cheques may also be sent by Freepost.

For most day-to-day Council transactions this is unlikely to create significant issues but represents a change from traditional banking arrangements.

No Debit Card Facility
Unity currently does **not provide a debit card**.

The bank indicates that debit cards are under development but are not expected before 2027/28.

Instead, Unity offers a Lloyds Bank Corporate Purchasing Card facility. This may require a review of current purchasing arrangements if the Council relies on debit card transactions.

Switching Risk
Any bank migration creates risks including:

- Temporary disruption to payments.
- Supplier payment failures.
- Missed direct debits.
- User training requirements.
- Signatory and mandate changes.

These risks can be mitigated through:

- Retention of the Co-operative account during transition.
- Phased migration.
- Testing of payroll and supplier payments.
- Maintaining duplicate arrangements during implementation.

FSCS Coverage
Unity deposits are covered by the Financial Services Compensation Scheme (FSCS) up to **£120,000 per depositor**, subject to eligibility.

The Council's balances regularly exceed this level and therefore protection would not extend to the entirety of Council funds. This is not unusual for larger local authorities and should be considered within the Council's wider treasury management approach.

Banking Charges
Current Account charges include:

- £7 monthly account fee.
- Additional transaction charges dependent upon turnover category.
- Other charges as detailed within Unity's tariff documentation.

Currently, charges with the Co-operative Bank are around £11 per month.

Winsford Town Council's annual turnover is likely to place it within the higher account tiers and officers would seek confirmation of applicable charging structures before any final transfer.

Governance Implications
A change of banking provider would require:

- Resolution of Full Council.
- Approval of new bank mandates.
- Appointment of signatories.
- Review of Financial Regulations.
- Update of payroll instructions.
- Notification to suppliers and grant providers.
- Internal audit notification.

Financial Implications
The principal financial advantage is the opportunity to increase investment returns on immediately accessible balances.

Officers estimate that the additional interest available through Unity's instant access savings product could provide a measurable increase in annual investment income depending upon reserve levels held throughout the year.

There would be some officer time involved in transferring arrangements and updating mandates.

EQUALITY AND ENVIRONMENTAL IMPLICATIONS
No direct equality implications have been identified.

No material environmental implications have been identified.

RISK ASSESSMENT

Risk	Likelihood	Impact	Mitigation
Payment disruption during transfer	Low	Medium	Phased implementation
Direct debit failure	Low	Medium	Parallel operation of accounts
User training requirements	Medium	Low	Staff training and testing
Loss of branch access	Low	Low	NatWest/Post Office facilities
Lower future interest rates	Medium	Low	Annual treasury review
Mandate delays	Low	Medium	Early completion of applications

OFFICER ASSESSMENT
Having reviewed the information available, officers consider that Unity Trust Bank appears to provide a banking service specifically designed for local councils, with stronger governance controls, specialist sector support and potentially improved returns on cash balances than are currently available through the Council's existing arrangements.

The most significant disadvantages are the absence of debit cards and traditional branches; however these can largely be mitigated through alternative arrangements offered by the bank.

Subject to confirmation of final charging arrangements and satisfactory completion of onboarding requirements, officers consider that a transfer would be capable of delivering both operational and financial benefits to the Council.

RECOMMENDATIONS
Council is recommended to:

1. Note the contents of the report.
2. Agree to transfer the Council's primary banking arrangements from the Co-operative Bank to Unity Trust Bank.
3. Authorise the Town Clerk/RFO to undertake due diligence prior to transfer
4. Authorise the Town Clerk/RFO to open:
    - A Unity Business Current Account; and
    - A Unity Instant Access Savings Account.
5. Approve the use of a phased transition period, retaining Co-operative Bank accounts until all standing orders, direct debits, payroll arrangements and receipts have been successfully migrated.
6. Authorise the Town Clerk to complete all necessary mandate documentation and banking agreements.
7. Receive a further implementation update report once the transition arrangements have been finalised.