

Northstowe Town Council - Debit Card – options and recommendations

Report for: Finance and Governance Committee meeting, 15th March 2022

Document last updated: Clerk & RFO to Northstowe Town Council, M.N., 10th March 2022.

Options researched

OPTION	COSTS	Further information
Unity Corporate MultiPay Card , Unity trust Bank, Unity Corporate MultiPay Card Unity Trust Bank	One-off fee of £50, then £3 per month (see 719535_Tariff-of-charges-and-product-information1_RGB (unity.co.uk))	<ul style="list-style-type: none"> • NTC already has bank account with Unity Trust Bank, although card is in partnership with Lloyds Bank and Mastercard. • Needs to have been a customer of Unity Trust Bank for at least 12 months – bank account was set up on 3rd March 2021. • Can set maximum transaction limit and a maximum card balance (e.g. £500 as per NTC’s Financial Regulations) • Balance is cleared by direct debit each month. • Used by a number of Parish and Town Councils who are already member of unity trust Bank.
Optimum (a pre-paid card), OPTIMUM, your prepaid MasterCard card (myoptimumcard.co.uk)	Initial £5 set-up fee (pays for the card itself), plus £1.99 ‘management fee’ monthly.	<ul style="list-style-type: none"> • Maximum £500 • Used by Longstanton Parish Council; also known to be used by some other parish councils.

NB: there are other pre-paid cards – e.g., Allpay Limited ([Prepaid Cards | allpay](#)), TransferWise, and Equals – all of which have been mentioned by Clerks on the online SLCC Forum, but Optimum seems to be a more commonly used alternative for local councils.

Pros and cons:

	PROS	CONS
UNITY CORPORATE MULTIPAY Card	<ul style="list-style-type: none"> • Automatic Direct Debit payments taken at end of each month, saving time, eliminating the risk of any late payment fees, and reducing risks of accidental payment mistakes made. • No need for separate bank account, as all linked to Council’s main Unity Trust Bank account 	<ul style="list-style-type: none"> • High initial fee

Optimum	<ul style="list-style-type: none"> • Low initial fee. • Slightly lower monthly fee. 	<ul style="list-style-type: none"> • Will have to ensure card topped up regularly, thus will need Council resolution each time before topping up when account is running low. • Card can only be issued to an individual's address, not a company address – as long as NTC's registered business address is clerk's home address this is fine, but this is deemed a temporary solution until a more permanent office location is secured – card can then potentially not be used anymore thereafter. • Card cannot be put in Town Council's name, can only be in individual's name – may need adaptation of current Financial Regulations. • Money on the card will be personally allocated, will not be in the name of NTC – thus, in case of Clerk leaving company, money cannot be reclaimed by NTC – is potential risk to council business. • Payment records made more complicated; two different banks; payments to be recorded as separate transactions in cash book each time – risks of accidental mistakes. • Overall much more staff time involvement, thus unlikely to be cost-effective when taking staff time costs into account.
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Recommendation:

For the RFO to be supplied with a Unity Corporate Multipay Card.

Key reasons;

- The card will remain allocated to the council, not to the individual
- The card remains linked to existing banking system;
- Comes with least financial risk for the Town Council;
- Reduces the risk of administrative errors being made;
- Will be quicker and easier in use and will thus save staff time.