

BANKING OPTIONS, NOTTING DALE HEAT, 4 AUGUST 2022

Notting Dale Heat was incorporated on 31 January 2022 and now needs a bank account, in order to receive the HNIP grant funding and Council loans, and then to pay contractors for the construction of the network, any services supplied such as the audit and to make fee payments to Directors.

There are a number of decisions to be made to take this forward:

Which bank?

Preferred option: the company uses NatWest as they are the Council's bankers as:

1. The Council already has a relationship with the bank with a named contact, which will make it easier to go through the identification and risk assessment processes that the bank requires.
2. Once the account is established, any transfers between the bank and the company will be easier.

Alternative option: use an alternative bank, which doesn't have the 2 benefits listed above. There are no downsides.

Recommendation 1: use NatWest as the company's bankers

Account Administration

An online account will be required to operate the account.

Preferred option: the company administers its own bank account, so that if any account settings need to be changed, this can be done without Council intervention and potential delay. Administration rights will be carefully controlled and monitored to ensure that this is properly managed.

Alternative option: it is linked to the Council's bank accounts, which means that the Council's Finance Team will need to administer the account

Recommendation 2: the company administers its own online bank account

Authorisation levels

To set up payments, the account will require levels of authorisation to ensure security of funds.

Preferred option: the Financial Controller be able to set up payments in the account but not authorise them. These payments would then be authorised by two Directors up to a £50k payment limit, in line with Row 14 of the Delegations Matrix. This means that two Directors always approve company transactions.

Directors will be provided with bank cards and a pin card reader and there is generally a time limit to approve authorisations, so it is suggested that at least 3 directors are able to authorise transactions.

Alternative option: there is not an alternative option, as this is in line with the Delegations Matrix.

Recommendation 3: the Financial Controller sets up all payments

Recommendation 4: Directors authorise transactions within the above limits

Recommendation 5: at least 3 directors are set up to authorise transactions

Timing of account opening

Preferred option: as the bank account will incur fees and will require administration, it is proposed that it be established approximately one month ahead of the first payment being required, rather than immediately.

The most likely transaction to occur first will be the payment of directors' fees for September 2022. As the company has no funds at the moment, it will need to be able to receive funds from RBKC to pay these.

Alternative option: there is not one, as the Shareholder Committee has agreed to nominate 2 Resident Board Members and appoint an interim Managing Director for 0.2FTE from 1 September 2022. These roles need to be paid by the company.

Recommendation 6: set up the account one month ahead of an expected requirement, in August 2022.

Notting Dale Heat's Decision-Making Hierarchy

1. *Safety First*

No implications, as these are financial decisions

2. *Quality*

The preferred options have been stated with reasons, ensuring that we deliver high quality. This is not a procurement exercise, so the usual 80/20 'quality/value for money' split does not apply.

3. *Value for Money*

The preferred options have been stated with reasons, ensuring that we deliver value for money. This is not a procurement exercise, so the usual 80/20 'quality/value for money' split does not apply.

4. *Sustainability*

No implications, as these are financial decisions.