

Note - Officer and Local (Parish and Town) Council Functions - For Use by High Street Banks and UK Finance [Trade Association for Banks]

Context

Following a meeting with UK Finance (the trade association for banks), the National Association of Local Councils (NALC, the representative body for 10,000 local [parish and town] councils) agreed to draft a short headline note specifying the role of the main positions on such councils for use by high street banks when liaising with local council customers. This follows various problems local councils have experienced across England over the last few years with mis-categorisation by banks, mandate and signatory issues, and a lack of ability to function properly with their accounts due also to the transition to online banking and international call centres, coupled with a lack of knowledge of what local councils are and do.

What are local (parish and town) councils? Local councils are the first tier of local government, closest to their communities. Most parish and town councils have very small budgets. They typically focus on activities such as managing parks, car parks, footpaths, community centres, cemeteries, and other local amenities. The largest may run more commercial operations such as leisure centres or museums. More broadly, parish councils exercise a general consultative role on behalf of local people: for instance, they have statutory consultation rights on planning matters. At national level, they are represented by the [National Association of Local Councils](http://www.nalc.gov.uk), and its county-level associations.

Roles on parish councils

Clerk Also known as the proper officer, the parish clerk is employed by the council (under section 112 (1) of the Local Government Act 1972) and is responsible for implementing the decisions of the council. Banks are advised to direct their queries to this person or the Responsible Financial Officer (RFO) in the first instance.

Responsible Financial Officer (RFO) Local councils are required by statute (sections 151, Local Government Act, 1972) to appoint a person to be responsible for their financial affairs, this person is known as the Responsible Financial Officer (RFO). The RFO has statutory obligations and throughout the year the council needs to satisfy itself that expenditure is both lawful and in line with council decisions (Accounts and Audit Regulations 2011/817). High street bank queries should be directed to this person in the first instance, where possible.

Chair The role of the Chair is to manage the meetings of the council and to represent the council at civic events. That brings with it the responsibility for fostering constructive relationships between councillors. The Chair is an equal to other councillors, other than the statutory provision that the Chair can have a casting vote (second vote) if there is a tied vote (Local Government Act 1972, [paragraph 39 (2) of Schedule 12]). The Chair is always a sitting councillor.

Councillor Parish or town councillors are elected by the electors of the parish every four years. A Councillor may also be returned by bye-election, co-option, appointment by the district council or by return after a successful election petition (Local Government Act 1972, section 16 [2]).

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