

MAIDSTONE BOROUGH COUNCIL

COUNCIL

21 SEPTEMBER 2011

REPORT OF THE HEAD OF DEMOCRATIC SERVICES

Report prepared by Karen Luck

URGENT DECISIONS TAKEN BY THE EXECUTIVE

DEPUTY LEADER ON BEHALF OF THE LEADER OF THE COUNCIL

The Deputy Leader, on behalf of the Leader of the Council, agreed on 05 August 2011 that the decision set out below was urgent and needed to be actioned within the call-in period. In accordance with the Overview and Scrutiny Procedure Rules of the Constitution, the Mayor, in consultation with the Head of Paid Service and the Chairman of the Corporate Services Overview and Scrutiny Committee, agreed that the decision was reasonable in all the circumstances and should be treated as a matter of urgency and not be subject to call-in.

Banking Arrangements

The Deputy Leader, on behalf of the Leader of the Council, considered the implications of information received from the Council's banker (the National Westminster Bank plc) that, under the arrangements made with the UK and EU Governments, it was obliged to divest itself of a significant part of its business to a third party bank and the Council's accounts, including the charity accounts under its control, had been selected for divestment.

Decision Made

1. That the Director of Regeneration & Communities write to the National Westminster Bank confirming the Council's intention to terminate its banking arrangements by 1st April 2012 and requesting deferral of the proposed divestment.
2. That the Head of Finance & Customer Services commences a tendering exercise to select an appropriate alternative banker that meets the Council's specification.
3. That the Officers report back to the Leader of the Council if the response from the National Westminster Bank is not favourable to the course of action outlined in the urgent report of the Head of Finance and Customer Services.

Reason for Urgency

The Deputy Leader, on behalf of the Leader of the Council, determined that his decision was urgent because on 20th July 2011 the National Westminster Bank provided notice to the Council that the accounts it maintains on behalf of the Council form part of the business it plans to divest by the end of 2011 and

appropriate action needed to be taken to minimise disruption whilst retaining control over decisions regarding the Council's financial affairs.

RECOMMENDED:

This report is for information only.

Background Documents:

Record of Decision of the Leader of the Council dated 05 August 2011