

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE QUEEN'S OWN ROYAL WEST KENT REGIMENT MUSEUM TRUST COMMITTEE

Decision Made: 9 November 2011

BANKING ARRANGEMENTS

Issue for Decision

To consider the proposed changes to the Council's banking arrangements and the impact upon the Trust.

Decision Made

That agreement be given to the transfer of the Trust's banking arrangements to Lloyds TSB Bank, the successful tenderer for the Council's banking arrangements.

Reasons for Decision

Nat West Bank (part of the Royal Bank of Scotland group) is being forced to sell part of its asset base to Santander UK plc as part of an EU directive for accepting a Government bail out to deal with its funding problems. This sale will facilitate the repayment of the debt to the Government.

Maidstone Borough Council's accounts form part of this asset sale, and this includes the accounts of associated charities including the Trust. The Council does not wish its business to go to Santander and has invited tenders for its banking arrangements.

Three tenders have been returned and, following an evaluation process, the contract is to be awarded to Lloyds TSB Bank. The Trust has used the Council's banking arrangements since its assets passed to the Council. This arrangement has been at no cost to the Trust. It is therefore considered appropriate for the Trust to transfer its banking arrangements to Lloyds TSB Bank in line with the Council's decision.

Alternatives Considered and Why Rejected

The Trust could choose to make its own banking arrangements separate to those of the Council, but this would involve additional administration and potentially additional costs being incurred.

Background Papers

None.

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 18 November 2011.
--