

EAST AYRSHIRE COUNCIL

SPECIAL COUNCIL MEETING - 14 FEBRUARY 2002

TREASURY MANAGEMENT – BANKING ARRANGEMENTS

Report by Director of Finance

1 PURPOSE OF REPORT

- 1.1 To request the Council to update certain resolutions made in favour of the Clydesdale Bank at its meetings on 19 December 1996 and 13 February 1997.

2 BACKGROUND

- 2.1 Following a recent tender exercise the Clydesdale Bank, the Council's current bankers, were awarded the contract to provide banking services to the Council for a further period of 5 years from 1 April 2002. The Bank has requested that certain resolutions be updated.

3. RESOLUTIONS

It is proposed that the Council resolve;

- 3.1 That a banking account or accounts be continued and further accounts opened as may be considered advisable from time to time in the name of the Council with the Clydesdale Bank ("the Bank"), and that the following resolutions shall apply to all accounts of the Council with the Bank now, or in the future.
- 3.2 That the Bank be, and it is hereby instructed and authorised to honour, comply with and debit to the Council's account or accounts, whether in credit or overdrawn in consequence of such debit, all cheques, warrants, orders, bills, promissory notes, negotiable instruments or instructions made drawn or given on behalf of the Council at any time provided that any such cheques, warrants, orders, bills, promissory notes, negotiable instruments or instructions are signed by any one of the Director of Finance, Head of Accounting Services or Head of Exchequer Services.
- 3.3 That as regards the following matters:
- (a) Instructions to withdraw, deliver, dispose of or deal with any property, Documents or securities held on account of the Council and the withdrawal of securities, documents or articles lodged for safe custody on account of the Council;
 - (b) Endorsement of all cheques, orders, bills, promissory notes and negotiable instruments payable to the Council;
 - (c) Any indemnities or counter indemnities given to the Bank;
 - (d) Instructions for the opening of credits or the issue of guarantees, bonds or indemnities by the Bank;
 - (e) The discounting of inland or foreign bills;

- (f) Instructions for the opening of any banking account or accounts from time to time in the name of the Council with the Bank.

The Bank or its Nominee be hereby authorised to accept on behalf of the Council instructions signed by any one of:

- (i) Director of Finance
- (ii) Head of Accounting Services
- (iii) Head of Exchequer Services

3.4 That the Bank be supplied with a list of the names of the Officials of the Council and advised of any alterations to the list.

3.5 That it is the Council's desire and intention to issue Cheques drawn on the Current Accounts kept in the Books of the Bank in our name with the signature of Alexander McPhee, Director of Finance lithographed or stamped thereon in facsimile: Therefore we do agree that in honouring such Cheques when presented to the Bank they shall as between the Council and the Bank have the same rights, powers and privileges and be in the same position in all respects as if the facsimile signature on such Cheques was the manuscript signature of the said Alexander McPhee and it shall not be competent to the Council to plead or maintain as against the Bank that any such Cheques so presented have been issued without the Council's authority or that the facsimile signature thereon has been adhibited without the Council's authority: And we further agree to hold the Bank indemnified from and against all loss, costs, damages and expense which they may sustain or incur or be liable for, in any manner of way in consequence of the Bank honouring cheques issued by the Council as aforesaid.

3.6 That these Regulations be communicated to the Bank and remain in force until amending Resolutions shall be passed by a Meeting of the Council, and a copy thereof, certified by the Chair shall have been received by the Bank.

4. **FINANCIAL/LEGAL/POLICY IMPLICATIONS – Nil**

5. **RECOMMENDATIONS**

It is recommended that the Council resolve as described in paragraph 3.1 to 3.6.

Alex McPhee
Director of Finance

28 January 2002

LIST OF BACKGROUND PAPERS
NIL

Any person who wishes any further information on this report should contact Robin Baker, Treasury Services Manager, Tel 01563 576331.

AGENDA