

<b>DECISION-MAKER:</b>	CABINET		
	BANKING FACILITIES ARRANGEMENT & SET OFF AGREEMENT		
<b>DATE OF DECISION:</b>	17 SEPTEMBER 2019		
<b>REPORT OF:</b>	CABINET MEMBER FOR RESOURCES		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Maddy Modha	Tel: 023 8083 3574
	<b>E-mail:</b>	<a href="mailto:madeleine.modha@southampton.gov.uk">madeleine.modha@southampton.gov.uk</a>	
<b>S151 Officer</b>	<b>Name:</b>	John Harrison	Tel: 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:john.harrison@southampton.gov.uk">john.harrison@southampton.gov.uk</a>	

<b>STATEMENT OF CONFIDENTIALITY</b>	
NOT APPLICABLE	
<b>BRIEF SUMMARY</b>	
Each year our banking institution, Lloyds Bank plc, require the Council to agree its facility arrangements, to include a provision for overdraft, ability to use BACS and direct debits and use of online banking. There is also a set-off agreement which allows all of the Councils bank accounts to be viewed as one single client, protecting the Council's financial position.	
<b>RECOMMENDATIONS:</b>	
<b>It is recommended that Cabinet:</b>	
(i)	Approve the Council entering into a facilities arrangement to include a set-off agreement with Lloyds Bank plc and delegate authority to the Service Director: Finance and Commercialisation to sign any documents required.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	Lloyds Bank PLC has seen a change in their processes in relation to the provision of Gross / Net overdraft facilities; and as such require to formally document the Bank's right of set off for these facilities, which will include having the documentation signed by the Council, and this right of set-off will be included within the security part of the facility documentation.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	If SCC do not enter into this agreement there could be a potential that our day to day banking facilities will cease resulting in payments not being able to be made when required and should there be a need for an overdraft, although not used to date, there would be significant costs incurred.
<b>DETAIL (Including consultation carried out)</b>	
3.	The facilities arrangement with Lloyds Bank plc is signed every year by the S.151 Officer under delegated powers to enable the Council to undertake its day to day

	operations. This is the first year that Lloyds Bank plc has mandated that the arrangement is presented and approved by Cabinet.	
4.	Lloyds Bank plc has reviewed its contractual arrangements with its English local authority customers and is asking each local authority to permit the set-off or transfer of credit balances in accounts held with the bank in or towards the satisfaction of any liabilities.	
5.	The set-off agreement will protect the Councils financial position. Without it our credit balances could be at risk in the event of a financial institution collapse. The agreement allows the Council to offset credit and debit balances and to protect the Council's position current practise is to aim for a zero balance at the end of each day.	
<b><u>Capital/Revenue</u></b>		
6.	There are no capital implications to consider and any revenue costs incurred as part of the bank contract are already built within the MTFS. There is no additional revenue impact of this agreement.	
<b><u>Property/Other</u></b>		
7.	There are no property implications arising from this report.	
<b>LEGAL IMPLICATIONS</b>		
<b><u>Statutory power to undertake proposals in the report:</u></b>		
8.	S1 Localism Act 2011	
<b><u>Other Legal Implications:</u></b>		
9.	Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council. None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, the Equality Act 2010, the duty to achieve best value and statutory guidance issued associated with that, and other associated legislation.	
<b>RISK MANAGEMENT IMPLICATIONS</b>		
10.	None.	
<b>POLICY FRAMEWORK IMPLICATIONS</b>		
11	None.	
<b>KEY DECISION?</b>		Yes/No
<b>WARDS/COMMUNITIES AFFECTED:</b>		NONE
<b><u>SUPPORTING DOCUMENTATION</u></b>		
<b>Appendices</b>		
1.	Set-off Agreement – Local Authorities	
<b>Documents In Members' Rooms</b>		
1.		
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Sa Impact Assessments (ESIA) to be carried out.		Yes/No

<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/No
<b>Other Background Documents</b> <b>Equality Impact Assessment and Other Background documents available for inspection at:</b>	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)