



COMMUNITY JUSTICE SECURITY

DECISION RECORD

Decision Record Number: 82

This document records a decision taken by the Police and Crime Commissioner, together with details of the advice he received prior to taking the decision.

Decision taken

That the Banking Arrangements for Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) be undertaken by Natwest Bank.

Details of advice taken

The PCC considered the S151 financial advice in respect of options available to him, together with the proposed mandate and signatories, terms and conditions and entity classification form.

Stephen Mold
12 October 2018

END



COMMUNITY JUSTICE SECURITY

Northamptonshire Police and Crime Commission

Supporting Report to the Police and Crime Commissioner

Date of Report	12 October 2018
Subject	S151 Advice to establish a banking relationship with National Westminster Bank Plc for the Northamptonshire Commissioner Fire and Rescue Authority
Report Author	Helen King, Chief Finance Officer

1. Purpose of Report

- 1.1 To provide advice to the PCC in respect of the preferred banking arrangements for the Northamptonshire Commissioner Fire and Rescue Authority.
- 1.2 In line with the Statutory instrument, the PCC will become the Police, Fire and Crime Commissioner.

2. Decision(s) Recommended:

- 2.1 The Northamptonshire Commissioner Fire and Rescue Authority will commence as a new corporation sole on the 1 January 2019 and as such requires separate banking arrangements to the Office of the Police and Crime Commissioner (OPCC).
- 2.2 Banking arrangements for the OPCC are currently provided by Natwest. These arrangements were set up following the governance change from a Police Authority and the transition arrangements worked smoothly and effectively in a timely manner.
- 2.3 Natwest have the knowledge of the existing governance and authority arrangements and within the very short timescale between the Statutory Instrument and the commencement of the legal entity, this knowledge is essential to give the best opportunity of meeting the deadline for banking arrangements.
- 2.4 The decision requested is for Natwest to provide the banking arrangements for Northamptonshire Commissioner Fire and Rescue Authority to facilitate arrangements to be set up on the laying of the statutory instrument.

3. Relevant background / Chronology of Key Events:

3.1 On the 11 April 2018, the Home Secretary supported the PCC Business Case to take on the governance for Northamptonshire Fire and Rescue Service.

3.2 The Statutory instrument will be laid on the 12/10/18 and the Northamptonshire Commissioner Fire and Rescue Authority will be created as a corporation sole on the 1/1/19.

4. Consultation:

4.1 The CFO has entered into discussions with the existing Natwest bank and LGSS and Force colleagues.

4.2 It is proposed that the banking arrangements are reviewed for both the Office of the Police and Crime Commissioner and the Office of the Northamptonshire Commissioner Fire and Rescue Authority corporation soles

5. Compliance Issues:

5.1 Is this a decision of 'significant public interest?'

5.1.1 As the PCC holds a public office, this decision could be considered a decision of public interest.

5.2 Is the recommended decision consistent with the priorities set out in the Northamptonshire Police and Crime Plan 2014/17?

5.2.1 Transfer of governance for Fire is included as a PCC priority within the Police and Crime Plan.

5.3 What are the financial and procurement implications of this decision?

5.3.1 On early indication of volumes (as they have previously all been contained within the NCC arrangements so some estimation has been required), bank charges will be between £6,000 and £10,000. This estimate will be refined as the year progresses to enable a considered review of all the PCC bank accounts in 18months.

5.4 Will further decisions be required?

5.4.1. As part of the Bank Set up arrangements, the PCC is required to make the following resolution which is included within this advice and forms part of the Decision Record:

3. Resolution

This Resolution must be passed at a meeting of:

- the board of directors of a Company
- the members of a Limited Liability Partnership

It was resolved that a banking relationship will be maintained with National Westminster Bank Plc (the **Bank**) in accordance with this mandate and that:

- the individuals identified as **authorised signatories** may, in accordance with the **signing rules**:
 - o sign cheques and give instructions for Standing Orders, Direct Debits, electronic payments, banker's drafts and other payments on the accounts even if it causes an account to be overdrawn or exceed any limit
 - o sign, accept or endorse bills of exchange
 - o request and give counter-indemnities for the issue of letters of credit or **Guarantees** (including bonds, indemnities and undertakings)
- **Authorised signatories** identified in the **signing rules** for unlimited amounts may, in accordance with the **signing rules**:
 - o sign facility agreements for overdrafts or the issue of letters of credit or **Guarantees**
 - o sign agreements for electronic products, including payment systems, and appoint or remove administrators and operators of those electronic products. The Company/LLP authorises the administrators and operators to exercise the powers detailed in the terms of each electronic product. These powers may be extensive and include the power to make payments and access information on behalf of the Company/LLP, and in the case of administrators, the power to appoint and remove other administrators (with the same powers) and operators
- any **authorised signatory** may give other instructions or requests for information to the Bank in relation to the accounts; opening accounts with the same **signing rules** and **authorised signatories**; closing accounts; or other banking services or products
- the Bank may accept instructions that do not have an original written signature provided the Bank is satisfied that the instruction is genuine and subject to any other agreement the Bank may require for those instructions
- this mandate will continue until the Company/LLP gives the Bank a replacement mandate or the Company/LLP passes a resolution changing the **signing rules** and/or adding or removing an **authorised signatory** by completing and returning the Change of Signing Authority form in which case this mandate will continue as amended

5.5 Legal Implications

5.5.1 Northamptonshire Commissioner Fire and Rescue Authority will be created by a statutory instrument.

5.6 Risk Management

5.6.1 The banking risks will be mitigated by the knowledge of both LGSS and Natwest of existing PCC arrangements (Natwest) and NCC and Fire arrangements (LGSS)

5.7 Has an Equality Impact Assessment been undertaken?

5.7.1 Equality and diversity is built into banking access arrangements, online, telephone and in branch.

6. Evaluation of alternative option(s):

6.1 The following options are listed for PCC consideration:

1. Do nothing –this is not an option – a bank account has to be set up to operate a fire fund in line with the legislation.
2. Run a procurement exercise for Fire and Rescue Banking – with only estimated volumes and a very tight timescale from when the SI is laid, this could not be achieved within the required timescale.
3. Set up an arrangement with Natwest, the existing OPCC Bank Provider – recommended.

7. List of background reports used to compile this report:

7.1 Natwest Fees and charges, Mandate application Forms and Entity creation forms.

8. List of appendices accompanying this report (if any):

None

9. Approvals

Date

Has this report been approved by the author's line manager?

Has this report been approved by the Chief Executive?