

SUBJECT:	TREASURY MANAGEMENT SERVICES CONTRACT
MEETING:	Individual Cabinet Member Decision – Councillor P Murphy
DATE:	23rd March 2016
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

1.1 To consider the appointment of the Council's Treasury Management Advisor.

2. RECOMMENDATIONS:

2.1 That Arlingclose Ltd are appointed as the Council's Treasury Management Advisor for the 4 year period from 1st April 2016 to 31st March 2020, with an option to extend for a further 2 years.

3. KEY ISSUES:

3.1 The Authority's current contract for treasury management services is with Arlingclose Ltd and ends on the 31st March 2016.

3.2 The Authority invited tenders for the service during February 2016 based on the following service areas:

- Treasury Management Strategy
- Investment Management
- Debt Management
- Creditworthiness and Counterparty Advice
- Treasury Management Systems and Processes
- Technical Support and Advice
- Training
- Capital Financing
- Any other specialist services provided

3.3 Two firms, Arlingclose Ltd & Capita provided tenders and were assessed using the following criteria:

- Support provided in setting the treasury management strategy, capital financing and systems & processes (11.5%)
- Support provided in the areas of investment management and debt management including debt rescheduling (15%)
- Analysis of credit worthiness, counterparty advice and economic & interest rate forecasting (12.5%)
- Resources available to provide the service, experience in the public sector, ability to provide technical advice and other specialist services available (16.5%)
- The fees charged for the service and the financial strength of the tendering body (40%)
- Quality and suitability of training (4.5%)

- 3.4 The Arlingclose tender proved to be strong across all service areas, having demonstrated a proven ability to advise Councils in the past and Monmouthshire for the past six years.
- 3.5 The Arlingclose tender demonstrated a good ability to provide strategic advice in the area of investment management with clear advice available on the range of investment vehicles available to both the Authority, Charities and Trust funds.
- 3.6 Arlingclose demonstrated sufficient resources to provide the Authority with a good level of support throughout the duration of the contract and in particular in relation to the Treasury strategy. They have also demonstrated independence from any conflict of interest with related services.
- 3.7 Arlingclose continue to demonstrate a strong commitment to provide advice as opposed to solely information provision. It is however clear to the Authority that the final decision for all treasury related matters remains with the Authority itself.
- 3.8 The cost of the service provided by Arlingclose is initially £4,300 per annum more than the lowest bidder but it is clear that their service provides excellent value for money for the reasons outlined in 3.4 to 3.7.

4. REASONS:

- 4.1 To appoint a Treasury Management advisor to assist the Authorities treasury management function in the areas outlined in 3.2 above.

5. RESOURCE IMPLICATIONS:

- 5.1 The cost of the treasury advisory contract for the Authority, Charities and Trust funds for the 4 year period from 1st April 2016 to 31st March 2020 is £74,700 excluding VAT, which is in line with the current budgeted amount.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS

There are no sustainability and equality implications.

7. CONSULTEES:

Strategic Leadership Team
Cabinet Members
Select Committee Chairmen
Head of Finance
Head of Legal

8. BACKGROUND PAPERS:

None

9. AUTHOR:

Jonathan S Davies – Finance Manager

10. CONTACT DETAILS:

Tel: (01633) 644114
jonathansd Davies@monmouthshire.gov.uk