

Bolsover District Council

Executive

6 October 2014

Medium Term Financial Plan (Award of Banking Contract)

Report of Cllr E Watts, Leader and Portfolio Holder for Finance

This report is public

Purpose of the Report

- To seek Executive's approval to award the tender for the Council's banking services.

1 Report Details

- 1.1 Executive will be aware that the Council's contract with the Co-operative Bank is due to come to an end in March 2017. However, the bank has indicated that in future it will no longer be providing banking services to local authorities. All existing contracts were to be honoured but should the Council wish to transfer to a new bank sooner then they could do so without any contractual penalties.
- 1.2 Since this announcement, it has become increasingly apparent that the Co-operative Bank would prefer all contracts to come to an end as soon as possible. It has become very clear that the Co-operative Bank is reducing the number of employees dealing with local authority customers which is having a detrimental effect on the service provided.
- 1.3 In June, Executive approved for the Council to enter into a joint procurement exercise for its banking services with four other councils (Chesterfield Borough Council, Derbyshire Dales District Council, Erewash Borough Council and North East Derbyshire District Council).
- 1.4 As part of the tendering exercise, banking contract specialists BRC Consulting were employed to write the specification and tender documentation.
- 1.5 Tenders were advised that their submissions would be evaluated based on 60% price and 40% quality.
- 1.6 The Council received three tender submissions that have been reviewed and analysed in accordance with the pre determined criteria and is summarised in the following table:

		Barclays Bank	Lloyds Bank	Nat West Bank
Price	60%	50.93%	60%	53.97%
Quality	40%	31%	32.9%	31.76%
Total	100%	81.93%	92.9%	85.73%

- 1.7 The banking tender process covered the core banking service and the card services. Three tender submissions have been received in respect of the card services. This report does not consider the card service element of the tender. A separate evaluation process will take place concerning these tender submissions at a later date.

2 Conclusions and Reasons for Recommendation

- 2.1 Based on the evaluation of the tender submissions and the result of the scoring matrix above, it is proposed that a seven year contract for the provision of the Council's banking services be awarded to Lloyds Bank, with the option to renew annually for a further three years.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 Banking services are clearly critical to underpin the operational service delivery of Council activities, however the provision of these services within the market place are fairly standardised which provides little opportunity for alternatives. In addition the current provider previously advised that they would be withdrawing from the sector, therefore a full tender process was not only the most appropriate option, but also the only option to consider.

5 Implications

5.1 Finance and Risk Implications

The current revenue budget includes a sum of £35,630, of which £20,589 relates to the core banking services and £15,041 relates to card services. The proposed recommendation to award the core banking services contract to Lloyds Bank can be contained within existing budgets.

5.2 Legal Implications including Data Protection

- 5.2 Lloyds Bank's terms and conditions have been passed to the Legal Section for review. Any issues identified will be addressed prior to the signing of contracts.

5.3 Human Resources Implications

5.3.1 These are covered throughout the report.

6 Recommendations

- 6.1 That Executive agree to award the Council's banking services contract to Lloyds Bank for seven years, with the option to renew annually for a further three years.
- 6.2 That Executive give delegated authority to the Executive Director – Operations following consultation with the Leader and Portfolio Holder to award the card services contract to the preferred bidder once the evaluation has taken place.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
District Wards Affected	All.
Links to Corporate Plan priorities or Policy Framework	Customer Focussed Services – Providing Excellent customer focussed services. Strategic Organisational Development – Continually improving our organisation

8 Document Information

Appendix No	Title
None	
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
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