

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead - Resources****Corporate Services Committee: 13 November 2019**

Subject: Provision of Banking Services**1. Purpose**

- 1.1** The purpose of this report is to seek approval of Committee to commence the tendering process for the Provision of Banking Services for the period 1 April 2021 to 31 March 2024, with an option to extend until for a further 2 years to 31 March 2026.

2. Recommendations

- 2.1** It is recommended that the Committee approves the process to begin invitations to tender for the provision of banking services for a three year period from 1 April 2021 until 31 March 2024, with an option to extend for a further two years until 31 March 2026; noting that the outcome of the process will be reported to a future Tendering Committee.

3. Background

- 3.1** Following a tendering exercise in 2015 the Clydesdale Bank was appointed as West Dunbartonshire Council's (WDC) Provider of Banking Services for a period of 3 years from 1 April 2016 to 31 March 2019 with an option to extend for a further 2 years until 31 March 2021.
- 3.2** The current contract was extended after a review of the terms offered by WDC's bank for the extension period and it was agreed that an extension to 31 March 2021 be accepted by the Executive Director of Corporate Services and the Chair of the Corporate Services Committee under delegated authority which was agreed at Corporate Services Committee 12 August 2015.
- 3.3** When the Leisure Trust (WDLT) was created, the banking contract agreed was linked with WDC banking contract. Thus, the current bank contract is based upon transaction volumes which include WDC & WDLT levels.
- 3.4** The banking contract currently costs WDC approximately £23,000 per year.

4. Main Issues

- 4.1** The Provision of Banking Services is critical to the continued financial stability

of the Council and is required to collect income from and make payments to various stakeholders.

- 4.2** Prices for this contract are based upon volumes and the current bank contract is based upon transaction volumes which include WDC & WDLT levels and Leisure Trust have confirmed that they wish their banking contract to be secured with the Council's bank contract under this invitation to tender exercise to assist with securing the best price for both WDC and WDLT.

5. People Implications

- 5.1** There are no people implications.

6. Financial and Procurement Implications

- 6.1** The Council currently incurs costs of around £23,000 per year in respect of banking charges for services provided by our existing provider.
- 6.2** The selection of the most suitable provider of the Provision of Banking Services may result in increased efficiencies in relation to day to day banking.
- 6.3** All procurement activity carried out by the Council in excess of £50K is subject to a contract strategy. The contract strategy for the provision of banking services will be produced by the Corporate Procurement Unit in close consultation with Finance Officers. The contract strategy shall include but may not be limited to; contract scope, service forward plan, the market, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and ongoing contract management.

7. Risk Analysis

- 7.1** If the contract is not tendered the existing provider will be able to provide the service. However, the prices may be subject to fluctuation and may no longer be competitive. Having a contract in place enables the prices to be set for a fixed period and a formal terms and conditions to be put in place, to ensure that the Council receives best value.
- 7.2** There is the risk that if the Provision of Banking Services contract is not awarded the Council will be unable to fulfil its financial obligations to various stakeholders.

8. Equalities Impact Assessment (EIA)

- 8.1** No issues were identified in a screening for potential equality impact of this report

9. Consultation

- 9.1** The views of Finance, Corporate Procurement Unit and Legal Services have been requested on this report and all have advised there are neither any issues nor concerns with the proposal.

10. Strategic Assessment

- 10.1** Sound financial practice and budgetary control are imperative to assist with the governance of the Council and supports officers of the Council in achieving the five strategic priorities. The General Services revenue budget contributes to all categories by providing funding in specific areas to help the Council achieve and develop these priorities.
- 10.2** The provision of banking services will contribute to delivery of the Council strategic priorities through efficient and effective frontline services that improve the everyday lives of residents. Further opportunities to maximise the positive social, economical and environmental impact for West Dunbartonshire through the contract will also be explored, e.g. through the use of Community Benefit Clauses

Stephen West

Strategic Lead-Resources

Date: 15 October 2019

Person to Contact: Karen Shannon, Section Head (Financial, Administration & Control)
Church Street, Dumbarton Telephone 01389 737842
Email: Karen.Shannon@west-dunbarton.gov.uk

Appendices: None

Background Papers: None

Wards Affected: All Council Wards