

REPORT TO: FINANCE COMMITTEE - 11 NOVEMBER 2002

REPORT ON: PROVISION OF BANKING SERVICES

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 793-2002

1 PURPOSE OF REPORT

- 1.1 This report appraises members of the proposal to tender for the Banking Services contract.

2 RECOMMENDATION

The Committee is asked to approve the tendering of a new Banking Services contract commencing on 1 July 2003 for 3 years, with an option to extend for a further 2 years. A proposed timetable of the appointment process is shown at Appendix I.

3 FINANCIAL IMPLICATIONS

The annual cost of the current contract with the Royal Bank of Scotland for 2001/02 was £87,000.

Comparisons with other authorities have indicated that some reduction in charges may be possible, although this cannot be quantified until tender replies are received.

If a different bank were to be awarded the contract, new stationery would be required in certain areas of the Council. However, the proposed timetable should provide sufficient time for this to be incorporated into the standard re-ordering of stationery.

4 LOCAL AGENDA 21 IMPLICATIONS

The maximum use of electronic data transfer minimises the use of paper copies as well as financial costs.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 INTRODUCTION

On 11 October 1999 the Finance Committee agreed to extend the Royal Bank of Scotland's existing contract for a further 3 years from 1 April 2000, with an option to extend it for a further 2 years.

As this initial period ends on 31 March 2003, a survey was undertaken of the bank charges paid by other Scottish Local Authorities. This showed the charges being paid by Dundee to be at the higher end of the scale.

Accordingly it is felt that some financial benefit can be obtained by market testing these charges. 1 July has been identified as an appropriate starting date to minimise the logistical exercise if there is to be a change of bank.

7 CONCLUSION

Although the relationship with the Royal Bank of Scotland has served the Council well, it is felt that the potential savings achievable justify subjecting their charges to full competitive tender.

The criteria for awarding the contract will also consider non-financial factors such as the location and convenience of the branch network and the quality of service and support.

**DAVID K DORWARD
DIRECTOR OF FINANCE**

11 NOVEMBER 2002

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

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BANK TENDER TIMETABLE**2002**

11 November	Finance Committee approval to tender
15 November	Advert placed in EU Journal
18 November	Draft Tender Documents prepared
20 December	Tender Documentation agreed
31 December	Deadline for expression of interest

2003

6 January	Issue of Tender documents
20 January/24 January	Pre Tender meetings with interested suppliers
7 February	Deadline for receipt of Tenders
10 February/28 February	Analysis of submissions/Post Tender interviews
10 March	Finance Committee appointment
14 March	New Bank informed
April	Accounts required identified Accounts opened Stationery requirements considered and orders placed Girobank depositing and cheque encashment facilities identified Security carrier negotiations Dialogue with existing bank Demonstration of computer package
May	Standing Order and Direct Debit details provided Transfer of BACS sponsorship details Stationery to be provided Computer package applied for
June	Computer package received System tested Stationery distributed to departments
1 July	System live Old balance other than outstanding cheque balance transferred to new accounts