
CORE BANKING SERVICES

Report by Executive Director, Finance & Regulatory

SCOTTISH BORDERS COUNCIL

30 January 2020

1 PURPOSE AND SUMMARY

- 1.1 This report advises members on the outcome of the recent collaborative procurement for core banking services and seeks delegated approval to implement a new contract for banking services.**
- 1.2 Following the collaborative procurement exercise undertaken with City of Edinburgh Council, Fife Council and Edinburgh Leisure, the Royal Bank of Scotland has been awarded the contract to provide banking services to the 4 organisations for a period of up to 6 years.
- 1.3 The contract awarded and implementation will require a number of key documents to be completed to allow the transition from the Council's current banking services provider, the Bank of Scotland, to be completed.

2 RECOMMENDATIONS

2.1 It is recommended that the Council:

- (a) Notes that the tender outcome has resulted in the Royal Bank of Scotland being awarded the contract.**
- (b) Authorises the Executive Director, Finance & Regulatory to implement the new banking contract in line with the Scheme of Delegation.**

3 CURRENT BANKING SERVICES

- 3.1 Scottish Border Council is required to have and maintain various bank accounts. The Treasury Management Strategy requires the bank provider to meet certain creditworthiness criteria.
- 3.1 The current banking provider is the Bank of Scotland, however the current contract, having been in place for 6 years, was due for renewal.
- 3.2 Following a discussion with City of Edinburgh Council, an opportunity to undertake a collaborative procurement exercise was identified. The procurement was led by the City of Edinburgh Council and included Scottish Borders Council, Fife Council and Edinburgh Leisure. The full requirements detailed in the approved Scottish Borders Council Treasury Management Strategy were included in the tender requirements.

4 TENDER OUTCOME

- 4.1 As a result of the tender exercise, a new contract for core banking services has now been awarded to the Royal Bank of Scotland under delegated authority.
- 4.2 The Council previously established a banking relationship with Royal Bank of Scotland in April 2012 with the opening of a deposit account. This existing relationship negates the numerous checks and mandates that would otherwise have been required for the Council as a new customer of the bank.
- 4.3 The transition to a new banking provider still however requires various mandates and documents to be signed and completed in line with the requirements of the Financial Conduct Authority (FCA). 119 accounts with the Bank of Scotland will require to be transitioned to the new provider Royal Bank of Scotland. This work will be completed over the next four months as directed by the Executive Director, Finance & Regulatory.

5 IMPLICATIONS

5.1 Financial

There are no additional financial implications in relation to this report its content specifically relating to the financing and investment activities of the Council. The transition to the new provider will deliver a small net annual saving of £11k.

5.2 Risk and Mitigations

The provision of banking services is a key aspect of the Council's Treasury management arrangements as specified within the approved Treasury strategy. The award of a new contract for banking services following a collaborative procurement process enables the Council to demonstrate it has achieved best value.

5.3 Equalities

There are no adverse equality implications arising from this report.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

5.5 Carbon Management

There are no direct issues or consequences arising from this report which would affect the Council's carbon management.

5.6 Rural Proofing

There are no direct issues or consequences arising from this report which would affect the Council's rural proofing policy.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required.

6 CONSULTATION

- 6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR, Communications and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

Approved by

David Robertson

Signature

Executive Director, Finance & Regulatory

Author(s)

Name	Designation and Contact Number
Kirsty Robb	Pension and Investment Manager, 01835 825249
Sara Halliday	Treasury Business Partner, 01835 824000, Ext 5854

Background Papers:

Previous Minute Reference: not applicable

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Capital and Investment Team can also give information on other language translations as well as providing additional copies.

Contact us at Capital & Investments Team, Finance, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA Tel: 01835 825249 Fax 01835 825166. email: <mailto:treasuryteam@scotborders.gov.uk>