



To: The Executive Councillor for Finance & Resources:
Councillor George Owers
Report by: Caroline Ryba – Head of Finance & S151 Officer
Relevant scrutiny committee: Strategy & Resources
19/01/2015
Scrutiny Committee
Wards affected: All Wards

MONEY TRANSMISSION (BANKING) CONTRACT RENEWAL REPORT

Key Decision

1. Executive summary

- 1.1 The existing banking contract expires on 31st March 2016. This report seeks the Executive Councillor's approval to re-tender and at the end of the tender process, to award a banking contract to a chosen banking provider.
- 1.2 This is in line with Part 4G (paragraph 2.1) of the Council's Constitution on contracts (the Contract Procedure Rules) under S135 Local Government Act 1972.

2. Recommendations

- 2.1 The Executive Councillor is asked to recommend to Council the following three items:-
- To authorise the delegation to the Director of Business Transformation to undertake the re-tendering and award of the Council's Banking Contract for a period of 5 years (with the Council's option to extend up to a further 5 years), subject to the preferred tender price being within 10% over the estimated contract value;
 - To commence the tender process by not using a Framework option i.e. using a 'full' tender process; and;
 - To use an 'open' tender route.

3. Background

- 3.1 The Current Contract of Banking Services with HSBC Bank plc, is due to expire on 31st March 2016.
- 3.2 A provider of Banking Services will need to be selected by the Autumn of 2015 to allow for all administrative and banking procedures to be put in place, before the existing contract expires.
- 3.3 A contract period of 5 years (with an option to extend up to a further 5 years) will give the Council stability and certainty to move forward in its strategic aims and future plans.

4. Implications

(a) **Financial Implications**

The estimated total contract value for a term of 8 years is £360,000. It will therefore be a requirement for an advert to be placed within the Official Journal of the European Union (OJEU). This is due to this particular services and supply contract exceeding £172,514. Additionally, no adverse VAT implications are envisaged.

(b) **Staffing Implications**

None envisaged.

(c) **Equal & Poverty Implications**

No negative impacts identified.

(d) **Environmental Implications**

No environmental implications are expected.

(e) **Procurement**

The procurement options available to the Council are:-

- Tender for a new contract using an 'open' or 'restrictive' route; and;
- Tender, using a local or national framework purchasing consortium

The first option is preferred (using an 'open' tender route) as it will give an opportunity for a wider variety of applications to be received and maximise potential benefits for the Council. Additionally, a small number of participants is envisaged which could cause no opportunity to negotiate fees or conditions.

(f) **Consultation and communication**

None required.

(g) **Community Safety**

No community safety implications.

5. Background Papers

5.1 None were used in preparing this report.

6. Inspection of Papers

6.1 If you have any queries about this report please contact:

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