

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE - 01 DECEMBER 2005

SUBJECT: PROVISION OF BANKING SERVICES

REPORT BY ACTING DIRECTOR OF FINANCE

Abstract:

This report seeks approval to appoint The Bank of Scotland as the Council's Bankers for a period of 3 years commencing 01 April 2006.

1. RECOMMENDATION

- 1.1 It is recommended that the Committee approve the appointment of the Bank of Scotland as the Council's bankers. This appointment would be for the period 01st April 2006 to 31st March 2009.

2. INTRODUCTION

- 2.1 Angus Council presently uses the Bank of Scotland as their Bankers. The current contract comes to an end on the 31st March 2006 and therefore it was appropriate that a tendering exercise be carried out. Invitations to Tender were issued and Tender documents subsequently sent to the interested parties. Tenders were received from The Royal Bank of Scotland and The Bank of Scotland.

3. COMMENTARY

- 3.1 The Tender Document described the Council's requirements for banking services and set out estimated volumes of transactions, such as, amounts to be banked, payments to be made and payments to be issued. It also sought information on various issues extending to on-line banking facilities as well as investment and overdraft facilities.
- 3.2 The evaluation process concluded that despite minor differences in the overall service provision the Bank of Scotland tender would represent the lowest charge in terms of transaction costs, as well as providing more competitive interest rates.
- 3.3 The Bank of Scotland assessed costs were approximately £48,000 against the assessed costs of the Royal Bank of Scotland which were approximately £57,000.

4. FINANCIAL IMPLICATIONS

- 4.1 The cost of provision of the Banking Service using the estimated volumes will be approximately £48,000 per annum. Suitable financial provision has been included in the Finance Department' Revenue budget.

5. HUMAN RIGHTS IMPLICATIONS

- 5.1 There are no Human Rights Implications arising from this report.

6. CONCLUSION

- 6.1 In view of the lower overall transaction costs, it is recommended that the Bank of Scotland be awarded the contract. Apart from the advantages identified through the Tender process, there will be benefits in continuing with the Bank of Scotland in that there will be no transitional or ongoing administrative changes.

7. CONSULTATION

- 7.1 The Chief Executive and the Director of Law and Administration have been consulted in the preparation of this Report.

COLIN MCMAHON
ACTING DIRECTOR OF FINANCE

NOTE: 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 this report.