

Title: Banking Services Exemption
 Lead Officer: Richard Wilson
 Portfolio Holder: Councillor Chilvers
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	12/06/24	Councillor Chilvers
Finance	12/06/24	Steven Leathley
Legal Services		
Chief Executive	12/06/24	Chris Elliott
Director of Climate Change	12/06/24	Dave Barber
Head of Service(s)	12/06/24	Andrew Rollins
Section 151 Officer	12/06/24	Andrew Rollins
Monitoring Officer	12/06/24	Graham Leach
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The current Banking contact with HSBC is to expire in on 28 February 2025. A two year extension is requested to the existing contract, which takes the total contract value over delegated officer responsibility and requires Cabinet approval.

Recommendation(s)

- (1) The Cabinet to approve contract extension and Procurement Wavier to the current Banking contract of two years from February 2025 to 28 February 2027.
-

1 Contract Wavier

- 1.1 The original contract was a 'five plus five' year agreement, awarded in 2014 and commencing on 1 March 2015. The initial contract period ended on 29 February 2020, with the potential to extend to 28 February 2025. This extension was approved by the Head of Finance under delegated authority in September 2019.
- 1.2 With the implementation of the new financial system from Technology One called Ci Anywhere (CiA) in November 2021, considerable work had been completed to ensure the current banking system interfaces worked accurately and efficiently. To move to a new bank would result in a major project to re-configure the finance system at a significant cost to the Council, both in officer time and budget for Technology One consultancy.
- 1.3 The Government is working on a new banking Framework for local government, but this is not yet available, and it is proposed to wait until this has been completed before starting a new procurement of a banking provider.
- 1.4 Our current supplier, HSBC, can facilitate a 2-year extension to 28 February 2027 to ensure continuity of their services, and the interfaces with CiA.
- 1.5 If the extension is approved officers will then develop a timetable and plan for the procurement of a new contract for it to be implemented in 2027.

2 Alternative Options

- 2.1 If we commence with a framework now, it may not achieve the best options until the Government framework for procuring banking services has been launched. We are awaiting an updated timeframe for this to be completed and expect this to be completed within the extension period request.
- 2.2 The time needed to integrate a new banking system into CiA would require planning and additional financial and officer resources. The current priority of the Accountancy team is the audit backlog therefore the extension would allow time to plan resources to achieve the optimum outcome.

3 Legal Implications

- 3.1 The proposals are in line with current legislation where applicable.

4 Financial Services

- 4.1 Bank charges in 2023/24 were £16,048.12. With the 2025 charge increases at current BACS payment levels the additional cost would be approx. £6,350 per annum, making a total of around £22,400. The additional cost will be met from within existing budgets.

5 Corporate Strategy

- 5.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation.
- 5.2 Delivering valued, sustainable services. A banking service is essential to providing all Council services, underpinning the ability to make payments and receive income.
- 5.3 Low cost, low carbon energy across the district. Minimal carbon output.
- 5.4 Creating vibrant, safe and healthy communities of the future. Banking services are integral to supporting all services provided to the community and employees.

6 Environmental/Climate Change Implications

- 6.1 Not relevant. No change to services currently provided.

7 Analysis of the effects on Equality

- 7.1 Not relevant. No change to services currently provided.

8 Data Protection

- 8.1 Not relevant. No change to services currently provided.

9 Health and Wellbeing

- 9.1 Not relevant. No change to services currently provided.

10 Risk Assessment

- 10.1 The requirement for external auditors is part of the assurance framework under which all local authorities operate. The audit of the accounts and associated grant claims seeks to provide assurance to all stakeholders that the Council's finances, as reported in the Accounts, are being properly managed.

Background papers: