**Appendix A - Specification**



**Banking Services**

**October 2021**

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# specifcation

1. **SOCIAL VALUE**
	1. The Council envisages that the Provider will pro-actively support the delivery of social value. Examples of social value opportunities are identified below:
* Recruitment of local apprentices
* Recruitment of long term local unemployed and trainees
* Creating part-time and flexible opportunities to increase for single parents seeking employment and people with disabilities.
* Provision of banking facilities to local residents that have historically been declined
* Support of local community projects
* Financial education in local schools
* Financial/technology workshops for elderly residents
1. **Transaction Volumes**
	1. An estimate of annual transaction volumes is provided below. These are based on actual volumes processed by the Council in a recent 12-month period albeit some volumes/values have been adjusted the reflect the impact of the pandemic.

|  |  |
| --- | --- |
| **Transaction Type** | **Annual Volume/Value** |
| BACS Direct Debits Paid | 3,740 |
| Cheques/Other Debits | 25 |
|  |   |
| Automated Credits | 51,090 |
| Manual Credits | 764 |
|  |   |
| Cheques Paid In - Branch | 50 |
| Cheques Paid In – Processing Centre | 3,000 |
|  |   |
| Notes/Coin In - Branch  | £1,000 |
| Cash Exchanged - Branch | £1,000 |
| Cash Out - Branch | £500 |
|  |   |
| Notes In - Cash Centre | £140,000 |
| Coin In - Cash Centre | £900,000 |
|  |   |
| Unpaid Cheques | 10 |
|  |   |
| BACS Transactions | 442,076 |
| BACS Files  | 1,068 |
|   |   |
| **Internet Banking Service** |   |
| CHAPS Payments | 152 |
| Future Dated/Next Day Faster Payment | 120 |
| Immediate Faster Payments | 68 |

* 1. Whilst the schedule above provides details of anticipated transaction volumes it is likely that volumes will alter during the contract period. The Council will not be liable for the Tenderers costs arising from fluctuations in volumes.
1. **Charges**
	1. Charges must be calculated based on a fixed tariff per transaction type for the period of the contract. Tariffs must not be increased during the initial 5-year contract period.
	2. All charges taken must be supported by management information showing transaction volumes, tariffs and charges. The management information must be provided at least 10 days before the charge is due.
	3. Should the Council decide to appoint a new bank following expiry of this contract, it is likely that there will be residual transactions posted to the old accounts for several months after the contract end date. Pricing must be held at the agreed levels for all transactions handled post the contract end date for a minimum period of six months.
2. **Bank Accounts**
	1. The Council will require one main bank account.
	2. An instant access deposit account may be required depending on credit interest rates proposed.
	3. Tenderers must be capable of closing accounts/opening new bank accounts within 5 working days of receiving the appropriate instruction.
3. **Cash and Cheque Deposits**
	1. As indicated in the schedule of transaction volumes, it may be necessary for the Council to occasionally deposit cash and cheques at branches. However, this is not anticipated to be a regular requirement.
	2. Notes currently deposited at a processing centre are from the Council’s swimming pool. The Council’s contracted BSIA accredited security carrier will collect cash from the swimming pool and deliver to the nominated processing centre.
	3. Bulk coin deposits are from the Council’s car parks. The Council’s contracted BSIA accredited security carrier will collect from parking machines, sort, count and bag the coin before delivering to the nominated coin processing centre.
	4. Cheques deposited will be collected by security carrier from the Council offices and delivered to an appropriate cheque processing centre.
	5. Cash deposits must be posted to the appropriate bank account on the day of deposit and must be cleared for interest calculation purposes on the same day. Cheque deposits must be cleared for interest calculation purposes one working day after the deposit date (i.e. cheques deposited at a branch on Monday must be cleared on Tuesday).
4. **Cheques/Credit Slips**
	1. The Council will arrange printing of personalised cheques.
	2. Standard credit books will be required and must be delivered within 10 days of the order.
5. **Statements/ Return of Vouchers**
	1. Regular paper statements will not be required.
	2. The routine return of paid cheques or credit slips will not be required.
6. **Internet Banking Service**
	1. The Council requires a secure browser-based service that (as a minimum) provides the following functionality.
* Real time balance and transaction reporting (i.e. for all bank accounts maintained) from 7am each working day. Historic transaction data must be available to view/download for a minimum period of 12 months.
* The ability to initiate Sterling CHAPS payments up to 5pm each working day.
* The ability to initiate international/SEPA payments
* The ability to initiate single BACS and/or Faster payments and inter-account transfers.
* The ability to export transaction data for reconciliation purposes in a CSV format.
	1. The service must allow administrators to set different user access rights (e.g. to restrict access to specified bank accounts) and to configure different payment permissions (i.e. input, authorise, release). It must also allow payment limits to be set for each user.
	2. Secure access must be maintained through the use of security tokens/random code generators issued to users or smart cards/pins issued to users which are either inserted into remote random code generators or smart card readers connected to the PC via a standard USB port. Access using finger vein reading technology is also acceptable.
	3. It is estimated that around 14 users will require access to the proposed internet banking service.
	4. An internet banking telephone helpdesk service must be made available each working day from 8am to 5pm.
	5. Training for the proposed internet banking service will need to be provided both at implementation stage and on an ongoing basis.
	6. Should the Council be unable to access the proposed internet banking service (i.e. through failure of Council or bank's systems) the following contingency arrangements must be made available:
* Balance/transaction information to be provided to verified staff via phone or e-mail within 1 hour of the request.
* CHAPS and Faster Payment instructions to be sent by e-mail or delivered to a local branch. Payments must be initiated on the day of request assuming agreed cut-off times are met. Appropriate security procedures are to be followed by the bank to verify the payment instructions.
1. **Reconciliation Data Services**
	1. Transaction data (in a fixed length ASCII format) is currently delivered to the Council via an automated service on a daily basis.
	2. Although the Council will be exploring the option of manually exporting transaction data from the proposed internet banking service, for the purpose of pricing, Tenderers should assume that an automated service will be required for the contract period.
2. **BACS**
	1. The Council currently maintains the following BACS Service User Numbers:

|  |  |
| --- | --- |
| **SUN** | **Limit** |
| 696689 | £500,000 |
| 699658 | £2,000,000 |
| 948204 | £25,000 |
| 953378 | £250,000 |
| 993748 | £5,000,000 |

* 1. It is likely that existing SUN’s maintained by the Council will continue to be used.
	2. Hardware Security Module (Paygate) will be used for the initiation of BACS files.
1. **Credit Facilities**
	1. The precise credit limits will be agreed during the implementation process. However, the following table provides anticipated limits based on current requirements.

|  |  |
| --- | --- |
| **Facility Type** | **Amount** |
| Overdraft Facility  | £200,000 |
| Total BACS Limits  | £7,775,000 |
| Settlement Risk Limit (for CHAPS payments) | £11,000,000 |

* 1. Appropriate Direct Debit sponsorship must also be provided.
	2. All limits will be reviewed periodically.

1. **Relationship Management**
	1. The Council must be allocated a suitably qualified and experienced relationship manager. The relationship manager must have experience of managing organisations/local authorities of a similar scale to the F&HDC.
	2. The Council will require the option of quarterly service review meetings with the proposed Relationship Manager and appropriate support staff.
	3. The Council must be provided with contact details of senior management who can be contacted in circumstances where issues need to be escalated beyond the proposed Relationship Manager.
2. **Service Delivery & Query Resolution**
	1. The Council will occasionally need to contact the successful Tenderer to resolve transaction and other queries - e.g. when further information is required for income that cannot be identified (i.e. supplier name, account number etc.)
	2. The Council must be provided with appropriate contact details (to include direct telephone numbers and e-mail addresses) of nominated staff that will deal with queries in relation to:
* Day to day transactions/ mis-posting errors etc
* BACS and Direct Debit processing
* Internet banking service
* Processing Centre Cash and Cheque Deposits
	1. Alongside the contact details, the Council must be provided with clear escalation procedures that should be followed if necessary.
	2. The Council may occasionally request copies of paid cheques or credit slips (e.g. to resolve transaction queries/disputes). Copies of cheques/credit vouchers processed within the previous six years must be made available.
	3. Copies of cheques/credit slips must be provided (by email or via the proposed internet banking service) within 5 working days of the request.
1. **Implementation**
	1. The successful Tenderer must allocate a suitably qualified and experienced implementation manager to the project. The implementation manager must have experience of implementing organisations/local authorities of a similar scale to F&HDC.
	2. As part of the implementation project, the Tenderer must review the Council’s internal processes and procedures in relation to the banking arrangements. This will ensure the Council have the opportunity to improve internal arrangements in tandem with the implementation project.

* 1. The implementation project must be delivered free of charge.