NHS 24 BOARD MEETING FOR APPROVAL ITEM 10.5

BANKING SERVICES CONTRACT

Executive Sponsor: Director of Finance and Performance

Lead Officer/Author: Deputy Director of Finance

Action Required

The report is presented to the NHS 24 Board for approval.

Key Points

This paper provides the NHS 24 Board with information relating to a new Framework Agreement for Banking Services within the NHS.

Financial Implications

The value of bank charges paid by NHS 24 per annum is around £3,000. This level of charges will continue under this new framework agreement.

Timing

The Framework Agreement for the provision of Banking Services is retendered at regular intervals by Scottish Government. This framework agreement is for a period of 4 years.

Contribution to NHS 24 strategy

NHS 24’s bank accounts are an important part of NHS 24’s financial arrangements. It is important that they operate effectively in order to assess the performance of the organisation against the NHS 24 Strategy.

Contribution to the 2020 Vision and National Health and Social Care Delivery Plan (Dec 2016)

As a key part of NHS 24’s financial arrangements, banking services are an important component in reviewing the organisation’s contribution to the 2020 Vision and National Health and Social Care Delivery Plan (Dec 2016).

Equality and Diversity

There are no equality and diversity issues to consider at this time.

1. RECOMMENDATION

1.1 The NHS 24 Board is asked to approve the new Framework Agreement with The Royal Bank of Scotland Plc (RBS). This will run for a period of 4 years from 1 August 2018 to 31 July 2022.

1.2 NHS 24’s Corporate Governance Framework provides that the appointment of bankers and the authorisation of bank accounts are matters reserved to the Board. However, in this situation, NHS 24 is carrying out the identified actions at the request of the Scottish Government and has no option other than to open the new bank accounts as specified by the Government Banking Service (GBS).
1.3 The Audit & Risk Committee, at its meeting on 20 September 2018, considered this issue and recommended that the Board give approval to the new Framework Agreement with The Royal Bank of Scotland Plc.

2. BACKGROUND

2.1 The Scottish Public Finance Manual (SPFM) states that all bodies to which the SPFM is directly applicable, including bodies sponsored by the Scottish Government, are required to have their core bank accounts with the GBS. The core bank account should be used for the receipt of funding and the processing of all main payments and receipts.

2.2 The GBS contract was re-procured during 2018 and the section of the contract that included Scottish GBS customers was awarded to the Royal Bank of Scotland Group (RBSG).

2.3 Under the previous Framework Agreement, Banking Services were provided to all Scottish GBS customers by The Royal Bank of Scotland. There is therefore no requirement, on this occasion, for any transitional arrangements, as this is a continuation of the existing supplier under a new framework contract.

2.4 A framework participation form has been completed and submitted to Scottish Government on behalf of NHS 24 to allow the new framework to be used once Board approval is provided.