

Policy & Resources Committee

Title:	Banking Update
Date:	19 July 2022
Contact Officer:	Karen Slater, RFO & Office Administration Manager

Purpose of Report

1. To update Members on debit / credit card transaction & bank processing fees for 2022-23 in addition to team changes at Lloyds Bank PLC.

Background

2. The Council offers the option of receiving payments via credit or debit cards. The current card net machine is analogue and can no longer be used with new iCloud system. A new digital Wi-Fi machine is required.
3. Fees and bank charges are imposed for all transactions with Lloyds such as for cash deposits, cheque deposits, Debit / Visa / MasterCard transactions via card net machine. The bank reviews their fees annually. During the pandemic (2020-22) all fees were frozen, and no increases were imposed. New annual fees / rates have been received for 2022-23.
4. Thame Town Council currently have an assigned bank manager 'Mike Hemmings' who has provided a personal touch with direct support / assistance during times of special need / new application requirements etc for the past 10 years. The services of a bank manager are now to be withdrawn.

Resource Appraisal

5. The card net machine has now been upgraded to a new digital format machine to work with iCloud system. The Credit/Debit Card Transaction fees for 2022-2023 are detailed on Appendix 1.
6. New bank fees and charges for everyday processing imposed by Lloyds Bank PLC for 2022-23 are also detailed on Appendix 1.
7. The bank manager at Lloyds Bank has contacted us and advised that his personal service is being withdrawn due to expansion. A new team of specialist business advisors have been set up in Aylesbury to deal with all our future requirements and in addition there are more online options to do direct applications / transfers etc. The new team should be more efficient and effective considering the communication difficulty previously experienced in trying to reach one person, particularly when they are in back-to-back meetings.
8. An estimated allowance has already been made in the bank charges budget for any increased charges that would be incurred. Charges will vary depending on the type of card used and whether payment is in person or over the telephone. Analysis of previous years' charges will be used to estimate future costs.

9. Additional procedures / process will need to be defined about use of the Card Payment Machine and reconciliation of payments made. Changes may need to be made to other related procedures e.g., Financial Regulations / Till usage.
10. Additional effort will be required to reconcile bank receipts against payments made, but this will be reduced by use of till functionality to record appropriate reference data. There will also be a reduction in effort through the reduced more complex reconciliation (reliant on correct customer data supply) that is currently used for BACS payments, some of which will instead be made by card.

Risk Assessment

11. Every payment received / made must be logged accurately and the correct security details must be obtained to ensure financial compliance and to safeguard the Council from any fraudulent transactions taking place.

Legal Powers:

- Local Government Act 1972 s 111

Recommendation

It is recommended that:

- i) The new card payment machine upgrade monthly cost & fees for 2022-23 are noted.***
- ii) The revised banking operations and table of revised fees / charges for 2022-23 are noted.***

Appendix I**CREDIT / DEBIT CARD FEES & CHARGES**

CARD TYPE	SERVICE CHARGE 2020-21	SERVICE CHARGE 2021-22	SERVICE CHARGE 2022-23
<i>Visa Credit</i>	1.338%	0.950%	0.950%
<i>Mastercard</i>	1.364%	0.950%	0.950%
<i>Visa Debit</i>	0.907%	0.74%	0.74%
<i>Mastercard Maestro Debit</i>	0.872%	0.74%	0.74%
<i>Card Net Machine</i>	£20.09 per month	£20.09 per month	£20.45 per month (digital upgrade)

LLOYDS BANK ACCOUNT (interest rates)

	<u>2021-22</u>	<u>2022-23</u>
Business Account	0.075%	0.01%
32-day deposit account	0.03%	0.05%
12-month deposit account	1.70%	1.80%

LLOYDS BANK PROCESSING FEES

SERVICE	SERVICE CHARGE 2020-22	SERVICE CHARGE 2022-23
<i>Monthly Fixed Operation Fee</i>	£5.00	£7.00
<i>Electronic Payments</i>	Free	Free
<i>Cash Payments (in or out)</i>	£1 per £100	95p per £100
<i>Cheques (in or out)</i>	£0.85	£0.40
<i>Returned Item Fee</i>	£25.00	£7.00