

Corporate Governance Committee

Title:	Banking Update
Date:	30 July 2024
Contact Officer:	Karen Slater, RFO & Corporate Services Manager

Purpose of Report

1. To update Members on bank processing fees for 2024-25.

Background

2. 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 2024-25.

Resource Appraisal

3. New bank fees and charges for everyday processing imposed by Lloyds Bank PLC for 2024-25 are detailed on Appendix I.
4. An estimated allowance has already been made in the bank charges budget for any increased charges payable. 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.
5. 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.
6. 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

7. 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 banking fees for 2024-25 are noted.***

Appendix I

CREDIT / DEBIT CARD FEES & CHARGES

CARD TYPE	SERVICE CHARGE 2020-21	SERVICE CHARGE 2021-22	SERVICE CHARGE 2022-23 & 2023-24	SERVICE CHARGE 2024-25
<i>Visa Credit</i>	1.338%	0.950%	0.950%	0.950%
<i>Mastercard</i>	1.364%	0.950%	0.950%	0.950%
<i>Visa Debit</i>	0.907%	0.74%	0.74%	0.74%
<i>Mastercard Maestro Debit</i>	0.872%	0.74%	0.74%	0.74%
<i>Card not present</i>	0.20%	0.20%	0.20%	0.20%
<i>Card Net Machine</i>	£20.09 per month	£20.09 per month	£20.45 per month	£20.45 per month
			(digital upgrade)	

LLOYDS BANK ACCOUNT (interest rates)

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Business Account	0.075%	0.01%	0.01%	1.30-1.90%
32-day deposit account	0.03%	0.05%	0.05%	2.5%
6 month deposit account	na	na	na	3.50%
12-month deposit account	1.70%	1.80%	1.80%	3.60%
15/16 month fixed term deposit	na	na	na	5.01%

LLOYDS BANK PROCESSING FEES

SERVICE	SERVICE CHARGE 2020-22	SERVICE CHARGE 2022-23 & 2023-24	SERVICE CHARGE 2024-25
<i>Monthly Account Maintenance Fee</i>	£5.00	£7.00	£8.50
<i>Electronic Payments</i>	Free	Free	Free
<i>Cash Payments (in or out)</i>	£1 per £100	£0.95 per £100	£0.85 per £100
<i>Cheques (paid in)</i>	£0.85	£0.40	£0.85
<i>Cheques (paid out)</i>	£0.85	£0.40	£1.00
<i>Returned Item Fee</i>	£25.00	£7.00	£7.00