

Alexandra Palace & Park Board

Report Title: **Banking Arrangements for the Charity**

Report of: **David Loudfoot, General Manager**

1. Purpose

1.1 To review the banking arrangements for APPCT

2. Recommendations

- 2.1 That the trustees authorise the General Manager to open a new bank account with the Royal Bank of Scotland and when appropriate to close the existing accounts held at the Co-Operative bank
- 2.2 That the trustees should consider if they wish to raise the existing mandate limits and the General Manager should instruct the Mandate be revised accordingly.

Report Authorised by: **David Loudfoot, General Manager**.....

Contact Officer: **David Loudfoot, General Manager, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 2121**

3. Executive Summary

- 3.1 The LBH have tendered the councils banking service and have changed the provider.
- 3.2 The charity accounts are normally held at a specific overnight balance by means of an automatic 'sweep', this is not possible to conduct 'inter-bank' and at present is being undertaken manually by LBH treasury staff on a daily basis.
- 3.3 Specific authority of the trustees is needed to open or close a bank account for the charity.

4. Reasons for any change in policy or for new policy development (if applicable)

- 4.1 The change in provider will enhance the banking service being provided.
- 4.2 This facility is available due to the successful tender by the Local Authority of it's banking services.

5. Local Government (Access to Information) Act 1985

- 5.1 No specific background papers were used in compiling this report.

6. Report.

- 6.1 The trustee's bank account should be managed separately from the accounts of LBH and prior to March 2002 the trustees account was not treated as part of the pooled arrangements whereby the bank could automatically balance the account from the Local Authority funds.
- 6.2 The Local Authority desired a change of practice in April 2002 and the board expressed concern that proper protocols be put in place. From that point on the arrangement settled upon is that the Charity current account will be maintained at a constant cleared overnight balance with a bi-directional sweep carried out by the bank on a daily basis.
- 6.3 LBH has recently changed its banking provider from the Co-Operative Bank to the Royal Bank of Scotland and the facility for sweeping of the account is not possible 'inter-bank'. This has led to the need for the Local Authority treasury department to manually process a balancing transaction on a daily basis.
- 6.4 The automated sweep service does not attract a cost to either organisation whereas the manual processing currently being undertaken results in a charge.
- 6.5 In addition to the greater efficiency of the automatic sweep, the new provider also offers an enhanced level of service and facilities in respect of account control and this additional service would benefit the Charity in the operation of its banking arrangements.
- 6.6 The existing signatories from the charity to the account are One Officer and Two trustees. The Local Authority also has two signatories but under the agreed protocol they do not authorise any transactions beyond the sweep arrangements.
- 6.7 The opening or closing of a (Charity) bank account needs the specific resolution of the charity trustees.
- 6.8 The authorisation limits currently applicable have not been reviewed or updated for many years, the existing mandate is for one signature for amounts up to £5,000 and for any two signatures for amounts over £5,000. It may be prudent at this time to review this limit at the same time as the change of provider.

7. Recommendations

- 7.1 That the trustees authorise the General Manager to instruct the opening of a new bank account with the Royal Bank of Scotland as part of the pooled accounts of the LBH and when appropriate to close the existing accounts held at the Co-Operative bank.
- 7.2 That the trustees should consider if they wish to raise the existing mandate limits and if so the General Manager should instruct the mandate be revised accordingly.

8. Legal and Financial Implications

- 8.1 The LBH Chief Financial Officer has been provided with a copy of this report and his comments have been sent on a separate sheet alongside this report.
- 8.2 The trusts solicitor has been provided with a copy of this report.

9. Equalities Implications

9.1 n/a

10. Use of Appendices / Tables / Photographs

10.1n/a

Comments of the London Borough of Haringey Chief Financial Officer:

Gerald Almeroth LBH CFO has been supplied a copy of this report and provided the following comment:

“I support the change of Bank account to RBS in line with the Council”