

# SALISBURY CITY COUNCIL

## Report

**Subject:** Review of Lower Bemerton Trust bank arrangements  
**Committee:** Full Council and Lower Bemerton Trust  
**Date:** 24 June 2024  
**Author:** Steve Bishop, Responsible Finance Officer (RFO)

---

### 1. Report Summary

- 1.1. The Council is the latest in a long line of public bodies which have supported the Lower Bemerton Recreation Ground Trust, a charity formed by endowment in 1932 for the maintenance of the recreation ground in perpetuity. Councillors have traditionally served as trustees and designated councillors have served as authorised signatories for administering the Trust's Natwest bank account, which is legally separate from the Council's HSBC bank accounts.
- 1.2. The current bank mandate for the Trust is now out of date, which has caused operational difficulties. This report proposes changes to the bank mandate in order to overcome these difficulties.

### 2. Policy Considerations

- 2.1. Financial Regulation 1.14 requires the Council to keep under regular review the bank mandate for all bank accounts. Furthermore, trust law and recommended best practice requires councillors as trustees to discharge their Trust obligations diligently. This report helps discharge both these duties.

### 3. Background Information:

#### The Trust's current bank account mandate

- 3.1. Prior to 2021 the Trust's Natwest bank account mandate listed the following authorised signatories, who were all city councillors:

Councillor Penelope Brown  
Councillor Vanessa Broom  
Councillor John Collier  
Councillor Andrew Roberts  
Councillor James Robertson

- 3.2. Over time all but one of these designated signatories ceased being city councillors. During 2021 the Responsible Finance Officer noticed the need for a new mandate, reported this to the Trust, arranged a new mandate and submitted it to the bank. The Trust's intention was to replace the previous councillor signatories with:

Councillor Tom Corbin  
Councillor Atiqul Hoque  
Councillor Jeremy Nettle

- 3.3. When the current RFO arranged for two of these trustee councillors to sign a Trust cheque in March 2024 to reimburse the Council for its 2022/23 annual expenditure on the recreation ground, as was customary, the bank unsuccessfully tried to contact the previous trustees and rejected the cheque as failing the bank mandate. Subsequent enquiries confirmed that the Bank had not completed the 2021 mandate amendment due to a technicality.
- 3.4. As only one of the original trustees remains a City Councillor and two authorised signatories are required to approve each transaction, the Trust does not currently have a useable bank mandate. It is therefore proposed that the Full Council and Lower Bemerton Trust approve a new mandate as previously intended and authorise the RFO to make the necessary amendments.
- 3.5. The problem outlined above was exacerbated by the Bank's refusal to discuss account details (including the mandate) with the RFO or any SCC officer, due to client confidentiality. It would greatly aid administration of the Trust's affairs if two SCC senior officers (for resilience) were added to the bank mandate, purely as administrators – without any cheque/payment authorisation power. For the avoidance of doubt, the officers would not be trustees; and only City Councillors would serve as trustees.

#### Delay in reimbursement of annual expenses

- 3.6. Due to the mandate problem, the Council's expenses totalling £10,590.38 incurred for maintaining the recreation ground during 2022/23 remain outstanding. In addition, a further £9,203.19 for 2023/24 maintenance expenses are now payable. These two outstanding amounts were reported to the Lower Bemerton Trust at its AGM and it is expected that these will be settled by way of a single cheque drawn on the Trust's bank account (which has sufficient funds) after the bank mandate is updated.

## **4 Recommendations:**

- 4.1 The Council approve the change of authorised signatories as set out in paragraph 3.2 of this report; or, select whichever other councillors the Council deems appropriate.
- 4.2 The Council approve the inclusion of Steve Bishop, the RFO, and Marc Read, Head of Environmental Services, as authorised signatories in order to provide administrative support to the trustees.

## **5 Background Papers:**

RFO's 2022/23 and 2023/24 annual accounts working papers.

## **6 Implications:**

- 6.1 . **Financial:** As shown in this report
- 6.2 . **Legal:** Generally – UK trust law; no specific implications
- 6.3 . **Personnel:** Nil in relation to this report
- 6.4 . **Environmental Impact:** Nil in relation to this report
- 6.5 . **Equalities Impact Statement:** Nil in relation to this report