

Budget Report- Income & Expenditure Account

Quarter ending 30th June 2021

Summary

At the end of the 1st quarter the Council's position is favourable against budget, with a variance of £86k being realised. Service costs were lower than budget predominantly due to higher than anticipated car park and beach hut revenue, and lower than budgeted total employee costs.

Service	Q1			Annual	
	Net Expenditure	Budgeted Net Expenditure	Variance Year to Date	Budgeted Net Expenditure	Projected Out-turn
Car Parks	(162,345)	(132,864)	(29,481)	(338,150)	(373,842)
Co-op	(5,403)	(5,925)	522	(20,700)	(20,178)
Boat Park	(9,910)	(2,855)	(7,055)	(13,855)	(20,962)
Public Conveniences	29,964	29,563	401	156,000	156,401
Burl Chine Chalets	0	0	0	(155)	(155)
Cemeteries	(7,750)	(7,725)	(25)	(4,100)	(4,166)
Parks and Operations	111,116	138,886	(27,770)	638,840	617,962
CCTV	263	250	13	3,000	3,013
Beach Gardens	1,841	7,790	(5,949)	30,170	24,153
Downs/Misc Grounds/PAG	(2,658)	(2,249)	(409)	5,025	24,601
Beaches/Foreshore	22,067	19,621	2,446	51,955	94,291
Beach Chalets/Bungalows	(8,597)	(3,108)	(5,489)	(22,680)	(54,314)
Publicity/Tourism	43,449	48,130	(4,681)	193,530	188,822
Allotments	(1,861)	(1,286)	(575)	(5,345)	(5,919)
General Buildings (inc. Caravan park)	(11,677)	(14,630)	2,953	(63,755)	(60,802)
Central services to the public:	84,807	92,150	(7,343)	360,950	361,957
DRM	9,821	9,879	(58)	46,115	57,058
Corp Management	634	760	(126)	57,190	57,064
Net Cost of Services	93,761	176,387	(82,626)	1,074,035	1,044,984
Interest payable and similar charges	1,051	1,050	1	4,250	4,251
Interest and investment income	(43,220)	(42,500)	(720)	(160,000)	(160,720)
Net Operating expenditure	51,593	134,937	(83,344)	918,285	888,516
Other Movements on the General Fund	33,872	0	33,872	(180)	(18,950)
Amount to be financed:	85,465	134,937	(49,472)	918,105	869,566
Financed by:					
Grants/Contributions	0	0	0	(3,000)	(3,000)
Community Infrastructure Levy	(36,772)	0	(36,772)	0	(36,772)
Precept on Dorset Council	(186,760)	(186,760)	(0)	(747,040)	(747,040)
Total Financing:	(223,532)	(186,760)	(36,772)	(750,040)	(786,812)
(Surplus)/Deficit for the Period	(138,067)	(51,823)	(86,244)	168,065	82,753
General Fund Balance Brought Forward					(818,092)
General Fund Balance Carried Forward					(735,339)

Car Parks

Car parking realised a net surplus of £162.3k for the period against a budgeted surplus of £132.8k, a positive variance of £29.5k.

	Q1			Annual	
	Actual	Budget	Variance	Budgeted Outturn	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	11,166	11,770	(604)	46,790	46,186
Expenditure	35,507	34,476	1,031	150,010	147,830
Income	(209,018)	(179,110)	(29,908)	(534,950)	(567,858)
Net Expenditure	(162,345)	(132,864)	(29,481)	(338,150)	(373,842)

As shown in the summary above, income has exceeded budget during the 1st quarter quite significantly. This is somewhat a continuation of the increase in visitor numbers seen during the peak summer season in 2020, seemingly as a result of restrictions due to the C-19 pandemic. Table 1 below gives a breakdown of the income and visitor numbers to the Council's long-stay car parks, as well as the prior year monthly breakdown. The average of the results of Q1 for the three financial years 2017/18-2019/20 has also been given for comparable data, as 2020/21 is an outlier.

Table 1: Net Revenue and Usage (data from ASLAN/JustPark)

	Main Beach		North Beach		Broad Road		Total	
	Usage	Net Revenue	Usage	Net Revenue	Usage	Net Revenue	Usage	Net Revenue
3 yr Average 2017/18-2019/20	18,924	£70,275	1,256	£4,102	20,415	£65,053	40,594	£139,430
2020/21								
April	0	£0	0	£0	0	£0	0	£0
May	528	£1,945	0	£0	591	£1,808	1,119	£3,753
June	1,648	£5,742	167	£549	3,125	£22,819	4,940	£29,110
Q1 Total	2,176	£7,686	167	£549	3,716	£24,627	6,059	£32,863
2021/22								
April	4,076	£13,823	142	£414	4,947	£15,247	9,165	£29,484
May	6,813	£25,450	604	£2,115	7,208	£22,989	14,625	£50,554
June	10,976	£44,062	1249	£4,369	10,450	£35,760	22,675	£84,191
Q1 Total	21,865	£83,335	1,995	£6,898	22,605	£73,996	46,465	£164,229

It can be seen that revenue from all car parks is above the average with higher numbers of visitors seen in Q1 than recent years.

Expenditure is largely as per budget in the 1st quarter, with slightly higher than budgeted payment processing costs, which is to be expected given the higher revenue.

A budget of £2k was included for the hire of a Variable Message Sign (VMS) during the peak summer months, however, this sign has been provided free of charge by Dorset Council for a trial period. As such an underspend on this budget is anticipated next quarter.

Market income has also exceeded budget, £3.5k at the end of Q1 and it is forecast to be £6.5k over budget by the end of the year.

Projecting forward to year-end, a surplus of £374k is anticipated against a budgeted surplus of £338k a variance of £36k.

Boat Park & Fishermen's Huts

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	1,810	2,050	(240)	9,640	9,400
Expenditure	1,665	7,970	(6,305)	25,700	19,343
Income	(13,385)	(12,875)	(510)	(49,195)	(49,705)
Net Expenditure	(9,910)	(2,855)	(7,055)	(13,855)	(20,962)

Income for the boat park has largely been as per budget for the 1st quarter, with no significant variances to report.

Expenditure is below budget at the end of the quarter, £6.3k in total. £4.3k of this relates a budget included for the repairs to the old jetty. However, these works were completed in March 2021, Appendix A: ref 27 refers.

Projecting to year-end, a positive variance is forecast against a budgeted surplus of £13.8k. Budgeted works for tanking, Appendix A: ref 2 are now unlikely to go ahead, however, this budget may be utilised for works on the eastern/middle jetty, with a conditions report pending.

Public Conveniences

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	30,009	29,606	403	158,075	158,477
Income	(45)	(43)	(2)	(2,075)	(2,076)
Net Expenditure	29,964	29,563	401	156,000	156,401

Income and expenditure are largely as per budget year to date.

It has been confirmed that the Council will receive 100% relief on NNDR on public conveniences, for the current and prior financial year.

The year-end forecast assumes that the budget of £30k for repairs to Burlington Chine will be spent. However, the scope of works required will be known later in the year following a survey, Appendix A ref: 12 and 23.

Cemeteries

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	711	1,325	(614)	30,840	30,185
Income	(8,461)	(9,050)	589	(34,940)	(34,351)
Net Expenditure	(7,750)	(7,725)	(25)	(4,100)	(4,166)

Income and expenditure are largely as per budget year to date.

As shown in Appendix A: ref 24, a budget of £18k has been allocated for repairs to a wall at Northbrook cemetery with the scope of works currently being discussed. The year-end forecast presumes that this budget will be fully expended.

Parks & Operations

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	102,402	122,455	(20,053)	502,270	482,217
Expenditure	35,755	39,429	(3,674)	230,985	234,203
Income	(27,041)	(22,998)	(4,043)	(94,415)	(98,458)
Net Expenditure	111,116	138,886	(27,770)	638,840	617,962

The income variance of £4k relates mainly to car parking income from the overflow on King George's Field and the hire of Sandpit Field, with several other insignificant variances.

There is a positive variance in employee costs of £20k at the end of the period. A budget was approved for two posts, a Grounds Maintenance Supervisor and a Buildings Supervisor. Subsequently these posts have been merged to a Grounds and Estates Manager, a post which has not been filled during Q1, and to which the variance relates.

Expenditure is under budget year to date by £3.6k. This is a result of small variances over many headings, with none being significant individually. This overall underspend on budget includes the additional expenditure of £2.7k on a notice board for the Recreation Ground/Chadwick play area, Appendix A: ref AD1.

Projecting costs to the end of the year, £7.2k has been included for the costs of further grounds survey at the Spa, which has been brought forward from the prior year Appendix A: ref BF5, being the balance outstanding on the contracted costs. Further costs may also be incurred to relocate a half-pipe in King George's skate park to enable a new half-pipe to be installed, which was initially approved for 2020/21. However, the date and cost of the works are yet to confirmed.

Beach Gardens

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	8,620	10,150	(1,530)	23,170	21,640
Expenditure	5,714	9,810	(4,096)	38,600	34,436
Income	(12,493)	(12,170)	(323)	(31,600)	(31,923)
Net Expenditure	1,841	7,790	(5,949)	30,170	24,153

This department has realised a positive variance of £6k at the end of the 1st quarter.

Income is largely as per budget, with staffing costs being £1.5k under budget for the period.

Expenditure is also lower than budget, however, this is spread over most budget headings rather than being attributable to any individual significant variances.

The Downs

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	565	888	(323)	17,620	37,282
Income	(3,223)	(3,137)	(86)	(12,595)	(12,681)
Net Expenditure	(2,658)	(2,249)	(409)	5,025	24,601

There has been little activity in this area year to date, with small variances over several budget headings being seen.

The variance forecast for year-end relates to repairing works on Peveril Point Road brought forward from 2020/21, Appendix A: ref BF2. This expenditure will be financed from reserves.

Beaches & Foreshore

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	17,063	14,420	2,643	38,450	41,093
Expenditure	24,255	24,436	(181)	65,850	105,560
Income	(19,251)	(19,235)	(16)	(52,345)	(52,362)
Net Expenditure	22,067	19,621	2,446	51,955	94,291

At the end of the 1st quarter a negative variance of £2.4k has been seen in this department. As shown above, this is largely the result of variances in employee costs.

Employee costs are over budget due to the early recruitment of 3 Seafront Advisor posts, and also an increase in hours worked against budget. It is anticipated that this will be funded from the Welcome Back fund, via Dorset Council.

The purchase of RNLI lockers has been brought forward from 2020/21, and will be financed from an earmarked reserve, Appendix A: ref BF1 and is included in the year-end forecast. There is, however, a significant item of expenditure that is expected in the next quarter, this being repairs to the slipway at the Stone Quay following storm damage in February 2021. This may be in the region of £40k and has been included in the year-end forecast, pending approval.

Overall a revised year-end outturn of a net deficit of £94.2k against a budget of £51.9k is being projected at the end of the quarter.

Beach Huts

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	7,694	9,467	(1,773)	38,520	36,371
Income	(16,291)	(12,575)	(3,716)	(61,200)	(90,685)
Net Expenditure	(8,597)	(3,108)	(5,489)	(22,680)	(54,314)

Many assumptions surrounding the possible C-19 restrictions that may be in place for the 2021 season were made during budget setting for this department. As such a cautious budget was approved. In addition, it was also expected that huts at the Spa site would not be available for hire during the 2021 summer season.

As such, beach hut income is £3.7k over budget at the end of the 1st quarter. This is forecast to be almost £30k by the end of the year. This is however, based upon being able to operate for the full

financial year. If further restrictions are applied at any point, refunds may be offered which would in turn reduce the forecast income.

Expenditure is generally as per budget with only minor variances. Overall year-end projections have been revised to a surplus of £54.3k against a budgeted surplus of £22.6k.

Publicity & Tourism

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	39,575	41,500	(1,925)	151,240	149,315
Expenditure	10,438	13,300	(2,862)	69,340	66,450
Income	(6,564)	(6,670)	106	(27,050)	(26,944)
Net Expenditure	43,449	48,130	(4,681)	193,530	188,822

At the end of the 1st quarter a positive variance of £4.6k has been realised. Income is generally as per budget and employee costs are £1.9k under budget.

Expenditure is also under budget, mainly insignificant individually but cumulatively totalling £2.8k, with cash collection and stock purchases being the largest.

Allotments

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	358	875	(517)	3,300	2,784
Income	(2,219)	(2,161)	(58)	(8,645)	(8,703)
Net Expenditure	(1,861)	(1,286)	(575)	(5,345)	(5,919)

To date allotments have performed largely as per budget, with very little activity to report. The year-end out-turn has been revised to a net surplus of £5.9k against a budgeted net surplus of £5.3k.

General Buildings/Misc Areas (incl roads)

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	5,451	2,495	2,956	12,000	14,956
Income	(17,128)	(17,125)	(3)	(75,755)	(75,758)
Net Expenditure	(11,677)	(14,630)	2,953	(63,755)	(60,802)

Year to date a £2.9k variance has been realised. This is due to the electrical works at the Station being carried over to 2021/22, Appendix A: ref BF3.

Central Services

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Employee Costs	55,012	60,443	(5,431)	241,770	236,339
Expenditure	33,411	35,507	(2,096)	135,080	141,334
Income	(3,616)	(3,800)	184	(15,900)	(15,716)
Net Expenditure	84,807	92,150	(7,343)	360,950	361,957

Employee costs show a variance of £5.4k, being costs relating to two vacant p/t receptionist posts.

Expenditure at the end of Q1 is over budget, £2k although cumulative over many budget headings, with no significant variances to report.

A budget for the replacement of doors at the Town Hall of £5k was approved for 2021/22, Appendix A: ref 7. However, following the receipt of estimates the costs have been revised to £13.5k, an increase of £8.5k, which is included in the projected outturn figures.

Corporate Management & Democratic Services

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Expenditure	10,456	10,639	(183)	103,305	114,122
Income	0	0	0	0	0
Net Expenditure	10,456	10,639	(183)	103,305	114,122

These two departments are largely as per budget at the end of the 1st quarter.

As shown in Appendix A: ref BF4, expenditure up to £11k has been brought forward from 2020/21 on the website, which is included in the year-end outturn figures. This will be funded from an earmarked reserve.

Employee Costs

For the 1st quarter, employee costs of £235k were seen against a budget of £262k with a positive variance of £27k being realised.

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Car Parks	10,533	11,020	(487)	44,560	44,073
Market	633	750	(117)	2,230	2,113
Boat Park	1,810	2,050	(240)	9,640	9,400
Parks & Operations	102,402	122,455	(20,053)	502,270	482,217
Beach Gardens	8,620	10,150	(1,530)	23,170	21,640
Beaches - Cleaner	8,446	9,420	(974)	25,150	24,176
Beaches - Warden	8,617	5,000	3,617	13,300	16,917
Tourism	39,575	41,500	(1,925)	151,240	149,315
Central Services	55,012	60,443	(5,431)	241,770	236,339
Total	235,648	262,788	(27,140)	1,013,330	986,190

Year to date figures do not include any provision for a cost of living increase. This is still to be determined through national negotiations. During budget setting a nil increase on the approved posts was agreed, with only an uplift for incremental increase having been included in the budget. As the Council is currently undertaking a review of administrative posts the forecast for year-end is based upon the current structure, however, it is anticipated that this will be higher than that currently forecast.

It is currently estimated that the employee costs overall will be £27k under budget at the end of the year.

Interest & Investment Income

	Q1			Annual	
	Actual	Budget	Variance	Budget	Projected Outturn Q1
	£	£	£	£	£
Net Expenditure	(43,220)	(42,500)	(720)	(160,000)	(160,720)

Investment interest for the quarter for the Council's strategic investments has been estimated, with actual outturn yet to be received. However, initial indications are that the returns are generally as per budget.

The year-end outturn is based upon expending the Council's reserves on its capital programme as per budget. However, some projects may be deferred, and costs may increase, therefore variances are likely to occur by year-end.

The Council's provisional investment portfolio at 30 June 2021:

Investment Portfolio	31.03.21 Balance	Net Movement	30.06.21 Balance
	£	£	£
Banks and building societies (unsecured)	512,973	632,069	1,145,042
Money Market Funds	750,000	0	750,000
UK Govt	450,000	(450,000)	0
Total Internal Investments	1,712,973	182,069	1,895,042
Investments in Pooled Funds:			
Property	3,045,533	104,297	3,149,830
Multi-Asset	965,700	1,095	966,795
Bonds	503,174	4,911	508,085
Total External Funds *	4,514,407	110,303	4,624,710
TOTAL INVESTMENTS	6,227,380	292,372	6,519,752

*provisional values-awaiting returns

Short-Term Investments

In total the Council's short-term investment portfolio increased by £182k during the course of Q1. Investment activity was limited to increasing the funds held in the Lloyds Call Account, being the redemption of a DMADF deposit of £450k during the period. These funds will be re-invested during Q2. The interest available for short-term investments remains stubbornly low.

Strategic Investments

The Council has continued to hold the units held in CCLA Property Fund, Ninety-One Diversified Income Fund and M&G Strategic Corporate Bond Fund. The values given above are provisional and will be confirmed at a later date. However, income has so far remained stable. The provisional valuations suggest an up turn at 30th June since the last valuation at 31st March.

Revenue Account - General Overview

At the end of the 1st quarter of the council's financial year a positive variance of £86k has been realised and it is anticipated that by year-end that this will be c.£85k.

A schedule of significant expenditure is provided in Appendix A, with £184k having been approved for this financial year, with £44k to be financed from reserves. A further £46k has been brought forward as outstanding from 2020/21, with funds placed in a reserve at the end on 2020/21 to finance these works.

Presently, a deficit on the general fund of £82k is forecast at year-end, against a budgeted deficit of £168k. There are, however, some unknown costs that will of course have an impact on the year-end outturn, mainly being emergency expenditure such as that required on the slipway and the costs of implementing the staffing review. Likewise, income above budget such as car parks will also impact on the outturn. Although a deficit was budgeted it was caveated with a warning that it was not

sustainable over the medium term and Officers will strive to review budgets during Q2, moving into the 2022/23 budget review period.

Appendix A

Significant One Off Revenue Expenditure 2021/22						
Ref:	Service Area	Project	Budget	Actual	Programmed	Status Update
	New projects for 2021/22					
1	Parade Railings	Repairs	5,000	-	July	To be completed July 2021
2	Fishermen's Huts	Tanking	7,000	-	October	Project cancelled-2.5k eastern Jetty inspection boat park
3	Depot	Equipment (mower box)	7,200	-	September	
4	Town Hall	Entry System	6,000	-	November	
5	Parks & Open Spaces	Trees - purchase	5,000	-	January	
6	Various	Signage, incl CCTV, Water	8,000	-	Y	
7	Town Hall	Door replacement	5,000	5,000	June/July	Order placed-£13,430
8	Beach Gardens	Pavilion Repairs	8,000	-	November	
9	Parks & Open Spaces	Cycle Racks	2,500	-	July	
10	Recreation Ground	Drainage	5,000	-	October	
11	Downs	Peveril fortification repairs	10,000	-	October	
12	Public Conveniences	Burlington Chlne drain repairs	30,000	-	October	
13	Days Park	Fence Repairs	5,000	-	September	
14	Miscellaneous Areas (Roads)	SIDS	4,000	2,495	June	SIDS paid, posts outstanding
15	Car Parks	EV Charger	4,000	-	February	
16	Car Parks	Visual Message Signs	2,000	-	July/August	No costs to be incurred
17	Boat Park	Anchor Bolts	2,000	-	October	
18	Downs (EWG)	Noticeboards	4,000	-	August	
19	Environmental	Energy Efficiency Improvements	10,000	-	January	
20	Environmental	Campaigns (incl Beach Buddies)	3,000	-	Y	
22	Parks & Open Spaces	Bins	4,000	-	July	
23	Public Conveniences	Survey Fees	3,000	-	July	
24	Cemeteries	Northbrook cemetery - Wall repairs	18,000	-	October	
25	St Marks Playing Fields	Repairs	7,500	-	October	
26	Spa/Recreation Ground or PAG?	Electrical Boxes - Maintenance	15,000	-	November	
27	Boat Park	Old jetty repairs	4,350	-	April	carried out in 2020/21
			184,550	7,495		

Appendix A

Projects brought forward from 2020/21 to be financed from Farnham Reserve						
BF1	Beaches	Lifejacket Lockers	1,750	-	July	
BF2	Peveril Point	Road repairs, signage and line markings	20,000	-		
BF3	Station	Landlord's Electrical Safety Certificate	6,000	2,900		Works completed
BF4	DRM	Website	11,000	-		
BF5	Spa	Ground Surveys	7,200	-		
			45,950	2,900		
<u>Additional projects for 2021/22</u>						
AD1	Rec/Chadwick play area	Noticeboard	2,747	2,747		Completed-no budget implications
AD2	Stone Quay Slipway	Repairs-Void in-fill -approximation	40,000	-		
			42,747	2,747		

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Capital Programme – Monitoring Report 2021/22

Project Ref:	Project	2021/22 Budget	Forecast Outturn for the year	Actual Expenditure Year to Date	Status
		£	£	£	
Approved Projects-2021/22 Estimates					
1	Play Areas/Skate Park King Georges Play Area	90,000	90,000	0	Not Active
2	Cemetery Godlingston Extension	200,000	256,148	2,250	Ongoing-Contract awarded
3	Station Approach Infrastructure Improvements	10,000	10,000	0	Ongoing
4	Roads				
a	Panorama Rd/Quarry Close - Upgrade/Improvement	50,000	50,000	0	Ongoing
b	Cow Lane - Upgrade/Enhancement	15,000	15,000	0	Ongoing
5	Downs Peveril Point Stabilisation Scheme	75,000	75,000	0	Ongoing
6	Seafront Coastal Defence Projects (incorporating) Stone Quay - Reconstruction and Bonding	80,000	80,000	0	Ongoing
7	Depot Mezzanine Decking & Extractor Fan installation	22,000	22,000	0	Not Active
8	Spa Stabilisation & Regeneration	300,000	300,000	0	Ongoing
9	Environmental Sustainable energy	18,000	18,000	0	Ongoing
10	Beach Gardens Tennis Court Resurfacing	24,000	29,000	0	Ongoing
11	Parks Days Park- Footpath Lighting Installation	18,000	60,000	0	Ongoing
12	Festive Lighting Seafront Catenary Wire & Lights Replacement	15,000	16,648	16,648	Completed
	Subtotal	917,000	1,021,796	18,898	
Projects brought forward from 2020/21					
BF1	Capital Grants Swanage & Purbeck Development Trust - Football Club redevelopment		20,000	0	Ongoing
BF2	Play Areas Recreation Ground		9,800	9,800	Completed
	Expenditure B fwd Subtotal		29,800	9,800	
	Total Capital Expenditure	917,000	1,051,596	28,698	

Project Updates:

1: Play Areas: King Georges Equipment Replacement

This project is programmed for later in the year. **Not Active. Financing- Earmarked reserves (ER).**

2: Cemetery-Extension

In June 2020, TGMS were initially appointed as consultants for this project and the contract was extended in January 2021 to include project management, stage 4.

During March/April 2021, TGMS carried out a tender exercise on behalf of the Council and evaluated all submissions. At the Extraordinary Meeting of the Council held on 5th May 2021, Council considered the recommendations made by TGMS and consequently awarded the contract for the extension of Godlingston Cemetery to Suttle Projects Ltd for a sum of £246,118, Minute 193. It is anticipated that the works will be completed in September 2021. **Ongoing. Financing-Usable Capital Receipts Reserve (UCRR).**

3: Station Approach-Infrastructure

Following protracted discussions with the Co-operative and Dorset Council, and a review by the Capital Projects Sub-Committee, it was agreed that the preferred route to take this project forward was to engage the services of a suitably qualified professional, so that an options appraisal could be developed. Updates will be taken to the Sub-Committee during the year. **Ongoing. Financing -UCRR.**

4: Roads

a) Panorama Road/Quarry Close – Upgrade/Improvement Scheme

Initial discussions took place with Dorset Council during 2020/21. Core samples have been undertaken on Panorama Road and a report from the project Engineer at Dorset Highways is pending. Progress is reported on an ongoing basis to the Capital Projects Sub Committee **Ongoing. Financing -UCRR**

b) Cow Lane-Upgrade/Enhancement

Following the extraction of core samples, a report from the Project Engineer at Dorset Highways is pending. **Ongoing. Financing-UCRR**

5: Downs-Peveril Point Stabilisation Scheme

This project was included on the list of priority projects to be taken forward by Dorset Property in 2020/21. An initial survey was carried out and Dorset Property requested that trial bore holes be carried out along the road, although this is still outstanding, and the scope of works is still to be determined. **Ongoing. Financing -UCRR**

6: Seafront Coastal Defence Projects: Stone Quay Reconstruction & Bonding

The scope of the project for the Stone Quay needs to be determined as part of a wider coastal defence project. However, it was reported to the Capital Projects Sub-Committee on 28th April 2021 that interim repairs to fill voids in the slipway were required, see Budget Report Q1. **Ongoing. Financing -UCRR**

7: Depot-Mezzanine Decking & Extractor Fan Installation

This project is programmed for later in the year. **Not Active. Financing -UCRR.**

8. Spa-Stabilisation and Regeneration

This project is still in the investigatory phase, with a ground stability report having been received. It is anticipated that a tender will be undertaken for the design stage in due course. A budget of £300,000 has been provided for works in 2021/22, with £950,000 having been allocated for the next three financial years. **Ongoing. Financing -ER.**

9: Environmental- Sustainable Energy

An energy audit was undertaken in March 2021 and a report was considered by the Environmental Working Group on 19th May 2021. A single large-scale installation across all sites was suggested, compared to the smaller roll out of the technology which had been allowed for in the capital programme. This matter will be considered further during Q2. **Ongoing. Financing -UCRR**

10: Beach Gardens: Tennis Court 3 Resurfacing

Council agreed a budget of £24,000 for this project when approving its capital programme for the 2021/22 financial year in January 2021. The Council committed to financing £6,000 of this project from the Usable Capital Receipts Reserve (UCRR), subject to £18,000 being financed from third parties, including the Tennis Club.

At its meeting held on 26th April 2021, Council considered a briefing note which outlined the scope of works required, including future improvements. Members were asked to confirm the project and the Council's contribution of £6,000, and also to consider funding this from the Community Infrastructure Levy (CIL) reserve. In addition to the approved contribution Members were also asked to approve an additional contribution of £5,000 to finance project management costs.

Minute 180, Council confirmed its commitment to funding £6,000 for the works, and approved the additional contribution for £5,000, with a total of £11,000 to be met from the Council. However, the viability of this project in its current form is in doubt following the extraction of core samples. Further consideration will be given to the scope and financing of this project in the forthcoming months. **Ongoing. Financing STC-tbc/Third Party Contributions.**

11. Parks-Days Park Footpath & Lighting Installation

An initial budget of £18,000 was approved for the installation of footpath lighting at Day's Park, to be financed from the CIL reserve.

At the time of setting the budget for 2021/22, the installation of lighting and pathway extension/upgrade was considered to be a two-phase project, with the costings of phase one included in the 2021/22 estimates. However, both phases, the installation of lighting and the extension/upgrade to the pathway have now been programmed for 2021/22, as it is anticipated that both phases will now be done at the same time.

At the meeting held on 26th April 2021, Minute 171, Council approved the recommendation made by the Capital Projects Sub-Committee on 24th February 2021 and subsequently the General Operations

Committee on 31st March 2021 to undertake the upgrade to pathways at Day's Park, with a budget up to £60,000, to be financed from the CIL reserve. **Ongoing. Financing -CIL Reserve**

12. Festive Lighting-Seafront Catenary Wire & Lights Replacement

A budget of £15,000 was initially approved for this project. Following a recommendation made by the Capital Projects Sub-Committee held on 24th February, Minute 4c), and further to a report submitted by the Operations Manager, it was approved by Council on 15th March 2021 to increase the allocated budget and award the contract for the supply of the lights to the Festive Lights Co. for £7,298 and to award the contract for installation works to WGS Power & Lighting for £9,350. **Completed. Financing -UCRR.**

BF1: Capital Grants – Football Club - Swanage & Purbeck Development Trust

The football club redevelopment at Days Parks is being managed by the Swanage & Purbeck Development Trust. A grant of £20,000 was allocated for the 2020/21 financial year, however this was not drawn down., with a further £220,000 being programmed for the 2022/23 financial year. It is now anticipated that the amount to be drawn down in the 2021/22 financial year will be in the region of £130,000, in order to employ architects for the redevelopment of the football club. This proposal will be reviewed by Council in the forthcoming months. A further contribution to fund the installation of floodlighting at the football club is also due to be considered by Council in the near future, following a review by the Sports, Leisure and Wellbeing Working Party. **Ongoing. Financing – UCRR/tbc.**

BF2: Play Areas-Recreation Ground (Chadwick Play Area)

Following the installation of the play equipment in December 2020 at the Recreation Ground play area, it was reported that further works would be required to eradicate pooling of water. This was reported to the Capital Projects Sub-Committee at the meeting held 24th February 2021. The Sub-Committee recommended that an additional budget of £10,000 be allocated to install drainage and wetpour surfacing to complete the project. The recommendation was approved by Council at the meeting held 15th March 2021, Minute 162 (a).

This project subsequently rolled over into the 2021/22 financial year. **Completed. Financing -ER**

Alison Spencer - Finance Manager

Martin Ayres-Town Clerk

Gail Percival-Operations Manager

Culvin Milmer-Visitor Services Manager

July 2021

REVIEW OF PARISH AND TOWN COUNCIL MEMBERS' ALLOWANCES - July 2021

Consultation on behalf of Dorset Parish Independent Remuneration Panel

Please respond by 30 September 2021 at 5pm

INTRODUCTION

Dorset Council has appointed an **Independent Remuneration Panel ('the Panel')** to review the allowances available to Parish and Town Councillors.

Dorset Council is the responsible authority for establishing the Panel to conduct an independent review of the allowances scheme to be recommended to your Council.

Each Parish or Town Council makes its own decisions concerning adopting an allowances scheme, but it may not do so unless it has had regard to the recommendations of the Panel.

The responses that are provided to this survey will help the Panel arrive at its recommendations to your Council on its allowances scheme. DAPTC has been asked by the Panel to engage with your Council to assist it in making its recommendations.

The Parish Clerk or Responsible Financial Officer (RFO) may invite the members of the authority to complete a separate response to this questionnaire.

*** 1. Which statement accurately reflects how this survey response is being submitted?**

- By Council having considered the survey questions
- Delegated to the Clerk/RFO to respond on behalf of Council
- By an individual member of Council expressing your own responses

Dorset Association of Parish and Town Councils are the data controller and are responsible for collecting and holding all responses received from town and parish councils to the survey and will make responses available to the Panel. Personal data will only be held for so long as is necessary for the preparation and completion of the Panel's report and will be used only for that purpose and to contact respondents if a request to contact has been made.

*** 2. Council name or Clerk's name completing the survey and contact details**

Council Name	<input type="text"/>
Name of Councillor or Clerk Submitting Response	<input type="text"/>
Contact Email Address	<input type="text"/>
Telephone Number	<input type="text"/>

* 3. The Panel may wish to contact you about your response to this questionnaire. Your name and contact information will be made available to the clerk to the Panel only for the purpose of making its recommendations, and only if you agree. Your personal data will not be retained by the clerk to the Panel after it has concluded its deliberations.

Please choose one of the following:

- I agree that my name and contact details may be forwarded to the clerk to the Panel for use in following up this survey.
- Only the name of my Council, and if and on what basis the response is made by the Clerk / RFO are to be provided to the clerk to the Panel, and I do not wish to participate further.

* 4. Which of the following most accurately describes your council?

Respond to this question as you see fit based on what you know.

- Town Council
- Larger Parish Council
- Medium Parish Council
- Small Parish Council

REVIEW OF PARISH AND TOWN COUNCIL MEMBERS' ALLOWANCES - July 2021

Let us know your thoughts on the current allowances

If you are unfamiliar with the current members' allowances recommendations to town and parish councils, read the [Dorset Parish Independent Remuneration Report Nov 2019](#)

The next few questions relate to the existing allowances scheme and it is with this in mind we ask you to respond to questions 5-8.

Individual Councillors may voluntarily forego any allowances payable. Can you please indicate which statement applies at your council:

* 5. Which of these statements represents your Council's current scheme of allowances for the payment of a basic allowance?

- | | |
|---|--|
| <input type="checkbox"/> No basic allowance is permitted (if you select this response go to Q10 or Q11) | <input type="checkbox"/> All Councillors are entitled to a basic allowance, but only some take it |
| <input type="checkbox"/> Only the Chair is entitled to a basic allowance | <input type="checkbox"/> All Councillors are entitled to a basic allowance, and all take all or some of it |
| <input type="checkbox"/> The Chair is entitled to a basic allowance, but does not take it | <input type="checkbox"/> I am entitled to a basic allowance, but do not take (for individual Councillor responses only) |
| <input type="checkbox"/> All Councillors are entitled to a basic allowance, but none take it | <input type="checkbox"/> I am entitled to a basic allowance, and I take all or some of it (for individual Councillor responses only) |

REVIEW OF PARISH AND TOWN COUNCIL MEMBERS' ALLOWANCES - July 2021

Let us know your thoughts on the current allowances

6. A scheme of allowances was recommended to your Council by the Panel in 2019 (the Recommendations). Please indicate which statement below reflects your Council's current scheme of allowances:

- Our Council adopted the Recommendations as the scheme of allowances
- Our Council adopted the Recommendations as the scheme of allowances and used the permitted flexibility to adopt a higher basic allowance (please indicate relevant figure(s) in Question 7)
- Our Council had regard to the Recommendations, but has adopted a different scheme of allowances (please indicate relevant figure(s) in Question 8)
- I am not aware of the Recommendations having been made

7. If you responded to the previous question by selecting 'Our Council adopted the Recommendations as the scheme of allowances and used the permitted flexibility to adopt a higher basic allowance'. Please state the amount in the comment box below:

8. If you responded to the previous question by selecting 'Our Council had regard to the Recommendations, but has adopted a different scheme of allowances '. Please state the amount in the comment box below:

REVIEW OF PARISH AND TOWN COUNCIL MEMBERS' ALLOWANCES - July 2021

Let us know your thoughts on future allowances and what factors may influence them

9. When considering factors that could influence the basic allowance for members of your Council, please rank the following in order of most significant (1 being the most significant, and 5 being the least. You will need to allocate a ranking to each of the statements below):



Size of electorate



Resident population size



Seasonal variation in population size



Council budget and service provision



Special circumstances that apply to your Council (please provide details in the free format box in Question 10)

REVIEW OF PARISH AND TOWN COUNCIL MEMBERS' ALLOWANCES - July 2021

Just one last question if you have any further thoughts you would like to share with the panel:

10. Add any additional thoughts or comments below or alternatively jump to Q11 and if easier upload a statement or file in support of any additional comments:

11. As an alternative to adding text in the free format box for Question 10 - you may upload a file to the survey if this is easier.

Please use either word or a pdf file as a preference.

Choose File

Choose File

No file chosen

Thank you for taking the time to complete this survey. Please click on submit to ensure your views are considered.

Policy, Finance and Performance Management Committee – 21st July 2021

Agenda Item 6. CIL Funds- To discuss Outline Policy on Spending

CIL is a tariff-based planning charge that enables Councils to raise funds from development, to contribute to region-wide infrastructure. The levy is charged by Dorset Council at a set amount per square metre of additional floor area that varies depending on the development type and housing sub-market region within the district.

Government regulations require the charging authority to pass on a proportion of its CIL receipts, known as the neighbourhood proportion to local town and parish councils in whose area the chargeable development takes place. Swanage receives 15% of CIL receipts for developments in the parish of Swanage.

CIL Regulation 59C states that a local council must use CIL receipts passed to it in accordance with regulation 59A or 59B to support the development of the local council's area, or any part of that area, by funding:

- The provision, improvement, replacement, operation, or maintenance of infrastructure needed (the definition for infrastructure, section 216(2) Planning Act 2008, includes sporting and recreational facilities); or
- Anything else that is concerned with addressing the demands that development places on an area.

The Council currently has a balance of £227,933.36 held in a Community Infrastructure Levy (CIL) Reserve. The 2020/21 CIL Income & Expenditure Account is attached for reference.

The 2021/22 capital programme shows that the following projects are approved for financing from CIL receipts:

- Days Park Footpath & Lighting Installation - £60,000

With the following projects potentially being funded/part funded from CIL:

- Tennis Court 3 resurfacing - £11,000
- Capital Grant – Football Club Redevelopment - £130,000
- Capital Grant - Floodlighting - £60,000

In addition to this list, other projects are likely to seek CIL funding, such as planned improvements linked to the pedestrianisation of the Lower High Street (albeit that these works are not programmed until the 2023/24 financial year).

It is impossible to budget for this income as the Council cannot calculate what it is likely to receive prior to development taking place.

Some Town Councils have adopted a policy to help prioritise how such funds should be spent. An example from Weymouth Town Council is copied overleaf. Other useful examples can be found via a Google search, such as <https://thurstonparishcouncil.uk/parish-council/cil-expenditure/>

Members are asked to consider if they are in favour of the Town Council adopting such a policy, and if so whether there is any preference for one of the examples cited above.

Martin Ayres and Alison Spencer
Town Clerk and Finance Manager

July 2021

Community Infrastructure Levy Allocation Policy

Introduction

1. This document details the governance arrangements in place at Weymouth Town Council for the allocation and spending of the Community Infrastructure Levy (CIL)
2. Developers pay this levy to the Charging Authority (Dorset Council) who pass 15% of CIL receipts to the Town Council, this is known as the Neighbourhood Portion. This needs to be spent on locally determined infrastructure in areas where development takes place. This will rise to 25% should the Council have an adopted Neighbourhood Plan in place.

Background

3. Weymouth & Portland Borough Council approved the introduction of the Community Infrastructure Levy (CIL) in 2015 and started charging in July 2016. CIL is now paid to Dorset Council by developers after their planning permissions are implemented. Since CIL was implemented, it has become the only significant means by which Dorset Council is able to collect and pool developer contributions to deliver infrastructure improvements.
4. CIL is governed by the CIL Regulations 2010 (amended). From 1 April 2019, Dorset Council became the charging authority for the rural part of the county and administers the Charging Schedules for the Weymouth area.
5. CIL is just one funding stream that can be used, in conjunction with others, to fund projects. Alongside CIL, S106 obligations will still exist, but generally as one-off agreements to mitigate the impacts of larger developments and to secure on-site developer requirements, such as the provision of affordable housing.

What can WTC fund with its portion of CIL

6. CIL can only be spent on funding infrastructure in the Town Council's local area, and allocations must demonstrate consultation with the local community. The Town Council must use CIL money to support the development of the local council's area, by funding:
 - the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - anything else that is concerned with addressing the demands that development places on an area.
7. Typically, there are three broad categories of infrastructure:
 - Social infrastructure: e.g. art and culture, sports halls, education, health, social care, emergency services, community centres, village halls

- Physical infrastructure: e.g. pavements, cycleways, flood defences, highways, transport links
 - Green infrastructure: e.g. play areas, public open space, woodlands
8. The Town Council must be able to demonstrate that it is using CIL in consultation with residents to develop projects for funding that contribute to the infrastructure priorities in the area.
 9. The Town Council should spend its local CIL monies within five years of receipt. Where money is not used to support the development of the area within five years of receipt, or is used for other purposes, the CIL Regulations give the Local Authority the power to recover those funds. This is to ensure that money is spent effectively to the benefit of the local community.
 10. The Town Council is required to produce a publicly available annual report on how much CIL money we have received and how much has been spent. This will include a list of all the projects funded through CIL and an itemised cost for each one.

How WTC will allocate CIL

11. Councillors can request CIL funding using the form in the appendix. Councillors are requested to speak with officers prior to submitting the form for guidance and assistance.
12. Completed form will go through either the Services or the Finance and Governance Committee, for recommendation to Full Council who will determine the application. In cases where funding is required urgently or for major, strategic projects with implications across the Council, an application could be sent to Full Council directly.
13. This process will be reviewed on an annual basis to consider its ongoing effectiveness for distributing Weymouth CIL monies.

Date Policy agreed:

Date for review:

Appendix - Weymouth Town Council - CIL Neighbourhood Portion Bid Form

Applicant Details:	
Cllr name	
Project Details:	
Brief description of project:	
What area will be project cover?	
What communities will benefit from the allocation?	
Briefly describe how the scheme will support and benefit the development of your local area by funding either: a) the provision, improvement, replacement, operation or maintenance of infrastructure; or b) anything else that is concerned with addressing the demands that development places on an area:	
Please confirm which of the Councils priorities this project contributes to: <input type="checkbox"/> Improve the wellbeing of the people of Weymouth. <input type="checkbox"/> Manage the Council's assets and resources responsibly and transparently. <input type="checkbox"/> Manage the Council's services effectively to meet the needs of the communities we serve.	

- Work to become greener and cleaner in our activities as well as supporting our communities and partners to be as green as possible.
- Promote opportunities for economic success of the area.
- Strive for continuous improvement and service development.
- Work with partners to deliver our core values and strategy.

Community Support:

How do you know that the community want this? Please detail any consultation that has taken place or is needed.

Is this proposal supported by local Ward Councillors representing the area where the project will be located? If yes, please provide confirmation below:

In addition to any Ward Councillor support, please provide confirmation of other local community support for the project:

Project Cost (including VAT):

Total project cost	£
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What is the cost breakdown i.e. to show expected budget lines on salaries (plus employer national insurance and pension contributions), overheads, marketing, building works, maintenance, equipment hire, feasibility etc.

Total external funding secured:	£
---------------------------------	---

Total CIL funds sought:	£
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Delivery Details:

If this is a new project, has a PID been agreed by the Council? Y/N

If yes, please give details

If a PID has not been agreed by the Council, please confirm that you have contacted an officer to discuss and please detail any relevant information below e.g. who is preparing the PID and what timescales are involved.

Does this link to any existing Council projects? Y/N

If yes, please give the details:

Additional Information:

Please detail any additional information that you feel may be helpful to this application.

Swanage Town Council annual monitoring report for CIL income and expenditure 2020/21

Introduction

This report sets out the value of the Community Infrastructure Levy (CIL) that the Council has received and spent in 2020/21.

Community Infrastructure Levy (CIL)

CIL is a tariff-based planning charge that enables Councils to raise funds from development, to contribute to region-wide infrastructure. The levy is charged at a set amount per square metre of additional floor area that varies depending on the development type and housing sub-market region within the district.

On 1st April 2019, Dorset Council took over the responsibility of CIL charging from the former district and borough council CIL charging authorities.

Government regulations require the charging authority to pass on a proportion of its CIL receipts, known as the neighbourhood proportion, on to local town and parish councils in whose area the chargeable development takes place. Where a neighbourhood plan has been adopted, this proportion is 25%, and where a neighbourhood plan has not been adopted, this is 15%. Swanage has not adopted a neighbourhood plan and therefore receives 15% of CIL receipts for developments in the parish of Swanage.

Town and parish councils must use the CIL receipts they receive to support the development of their area, or part of the area. They can fund the following:

- The provision, improvement, replacement, operation, or maintenance of infrastructure needed to support development.
- Anything else that helps to address the demand that new development is placing on their area.

Swanage Town Council annual monitoring report for CIL income and expenditure 2020/21

CIL receipts received in 2020/21

This table sets out the total amount of CIL money that Dorset Council collected on behalf Swanage Town Council in the last financial year.

Application	Location	Description	Amount
PP 6/2017/0713	Compass Point, Land West of Northbrook Road, Swanage	Erection of 90 dwellings with access via Northbrook Road, associated landscaping, drainage, and provision of a Suitable Alternative Natural Greenspace (SANG) to the north and south of Washpond Lane.	£47,234.43
PP 6/2019/0573	Seabank Lodge, 4 Ulwell Road, Swanage, BH19 1LH	Removal of condition 12 of planning permission 6/2019/0083 (Demolition of existing detached dwelling and replacement with three flats and associated parking with amended layout and design) to allow unrestricted occupation of the dwellings.	£511.27
PP 6/2018/0495	1 St Vasts Road, Swanage, BH19 2BN	Variation to Condition 2 of PP 6/2017/0655. Demolition of existing dwelling and erection of eight-unit residential building, with associated access and parking. To amend the design of the lower ground floor plan, removal of two chimney stacks, and alter additional ground level brickwork on North west elevation.	£1,603.81
PP 6/2019/0610	8 Durliston Road, Swanage, BH19 2DL	Variation of condition 2 of planning permission 6/2018/0577 (Sever land and erect 4 no 3-bedroom town houses with parking) to extend the ground floor to rear of the properties and extend the rear first floor balconies. Alterations to second floor Juliet Balcony design and chimneys.	£7,598.79
PP 6/2016/0472	68 Queens Road, Swanage, BH19 2EX	Demolish conservatory and insert two dormers to the existing dwelling; form new vehicular access. Erect detached dwelling with associated parking.	£2,182.95
PP 6/2018/0482	Badgers Run, 7 Ballard Estate, Swanage, BH19 1QZ	Demolition of existing single storey dwelling & erection of new single storey dwelling and summerhouse.	£526.18
Total CIL receipts received by Swanage Town Council 17/02/2021			£59,657.43

Swanage Town Council annual monitoring report for CIL income and expenditure 2020/21

Application	Location	Description	Amount
PP 6/2019/0716	The Co-Operative Group, Co-op Store, Kings Road West, Swanage, BH19 1HP	Demolish existing outbuildings & ramp. Erect a single storey rear extension, construct a new ramp & provide 2 new staff parking spaces.	£1,771.65
PP 6/2020/0218	48 Victoria Avenue, Swanage, BH19 1AP	Extensions and alterations to facilitate the conversion of the dwelling into 5 flats. Raise roof ridge height, insert dormer windows and rooflights and erect rear extension.	£1,697.00
PP 6/2017/0713	Compass Point, Land West of Northbrook Road, Swanage	Erection of 90 dwellings with access via Northbrook Road, associated landscaping, drainage, and provision of a Suitable Alternative Natural Greenspace (SANG) to the north and south of Washpond Lane.	£15,744.81
PP 6/2019/0610	8 Durlston Road, Swanage, BH19 2DL	Variation of condition 2 of planning permission 6/2018/0577 (Sever land and erect 4 no 3-bedroom town houses with parking) to extend the ground floor to rear of the properties and extend the rear first floor balconies. Alterations to second floor Juliet Balcony design and chimneys.	£7,598.79
PP 6/2019/0534	Land to the rear of 15 Sydenham Road, Swanage, BH19 2JX	Variation of condition 2 of planning permission 6/2018/0226 (Sever land and erect three-bedroom detached dwelling with vehicular access and parking) to alter internal layout, window and door position and entrance porch.	£4,255.73
PP 6/2020/0190	Land to the rear of 17 Sydenham Road, Swanage, BH19 2JX	Erect dwelling with associated access.	£4,586.08
PP 6/2020/0161	1A Battlemead, Swanage, BH19 1PH	Replace existing dwelling with detached dwelling. Erect additional detached dwelling adjacent. Form access & parking.	£1,118.11
Total CIL receipts received by Swanage Town Council 28/04/2021			£36,772.17
Total CIL receipts relating to the 2020/21 financial year			£96,429.60

Swanage Town Council annual monitoring report for CIL income and expenditure 2020/21

CIL expenditure in 2020/21

This table sets out the total amount of CIL money that Swanage Town Council spent in the last financial year as well as what it has been spent on.

Item	Location	Description	Amount
1	Institute Road, Swanage, BH19	Contribution to Dorset Council for pavement and road enhancements	£100,000.00
Total CIL expenditure			£100,000.00

CIL repayments in 2020/21

If Swanage Town Council does not spend the CIL money passed to it within 5 years, Dorset Council can issue a notice requesting that the money be repaid. This table sets out the total amount of CIL money subject to such a notice and the total amount of CIL money repaid to legacy Dorset Council in this financial year.

Amount of CIL subject to repayment notice	Amount of CIL repaid
£0	£0

Unspent CIL money

This table sets out the total amount of CIL money received in this financial year that has not been spent as well as CIL money from previous years that has not been spent.

Unspent receipts from current year	Unspent receipts from previous years	Total amount of unspent receipts
£96,429.60	£131,503.76	£227,933.36

Policy, Finance and Performance Management Committee – 21st July 2021
Agenda Item 7. Financial Regulations – Clarification of Sections 11.2 and 11.11

The Council's Financial Regulations were adopted in November 2019. Section 11, Contracts, is detailed below:

11. CONTRACTS

11.1. Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (a) to (g) below:

- i. for the supply of gas, electricity, water, sewerage and telephone services;
- ii. for the undertaking of specialist services or works in which the exercise of professional knowledge is of primary importance, e.g. solicitors, surveyors, contract administration services and planning consultants;
- iii. for the purchase of goods, materials, services or works under a partnership arrangement with another local authority or public sector body where there has been an earlier competitive selection and award process and/or where a framework agreement already exists;
- iv. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
- v. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
- vi. for additional audit work of the external Auditor up to an estimated value of £2,500 (in excess of this sum the RFO shall act after consultation with the Chairman and Vice Chairman of Council); and
- vii. for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.

11.2. Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contract Regulations 2015 ("the Regulations"), or other subsequent legislation, which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations:

- a. to use the Contracts Finder website to advertise contract opportunities;
- b. to set out the procedures to be followed in awarding new contracts; and
- c. to publicise the award of the contract.

11.3. The full requirements of the Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceeds the threshold in the Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).

- 11.4. The terms of the Utilities Contract Regulations 2016, including thresholds, shall be followed.
- 11.5. When applications are made by senior officers to waive financial regulations relating to contracts to (for example to enable a price to be negotiated without competition) the reason shall be embodied in a recommendation to the Council or relevant committee.
- 11.6. Invitations to tender shall state the general nature of the intended contract and the nominated senior manager shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- 11.7. Such invitations to tender shall state that tenders must be addressed to the Town Clerk in the ordinary course of post, unless the tendering process is to be managed through an e-tendering system. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. Where the tendering process is managed by another local authority or public sector body this Financial Regulation will not apply and the procurement process will be managed in accordance with that organisation's constitution.
- 11.8. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one Member of Council.
- 11.9. If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- 11.10. Any invitation to tender issued under this regulation shall contain an anti-collusion certificate and shall refer to the terms of the Bribery Act 2010.
- 11.11. When it is to enter into a contract less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the relevant Officer shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £10,000 and above £2,500 Officers shall strive to obtain three estimates. Otherwise, Regulation 10 (4) above shall apply.
- 11.12. Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, provided that the specification does not change, no person shall be permitted

to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

11.13. The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

11.14. The Council shall publish details of a new contract valued at over £5,000 on its website in accordance with Transparency Code 2015.

Officers are seeking clarification on the upper threshold for seeking quotes and this will be reported to the meeting.

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Town Clerk

July 2021

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FEBRUARY 2021

LTN 87 | PROCUREMENT

Introduction

1. This LTN applies to local councils in England and Wales except for paragraphs 11 to 16 below which apply only to local councils in England.
2. In the context of local councils, “procurement” is the process by which they award contracts to third parties (frequently individuals or companies) to provide goods, services or to undertake works. A procurement process is designed to source the most suitable contractors based on factors such as cost and their knowledge, experience, quality, capability, and financial standing.
3. A procurement exercise by a local council is subject to the requirements in s. 135 of the Local Government Act 1972 (“the 1972 Act”) and the Public Contracts Regulations 2015 (“the 2015 Regulations”). These legal requirements are summarised in the table below.

Contract value (net of VAT)	Legal requirements		
	The council's standing orders required by s.135 of the 1972 Act (and financial regulations)	The Contracts Finder/ find a tender website and other light touch rules in the 2015 Regulations	Complex requirements in the 2015 Regulations
Low value contracts (in England only, this means up to £25,000).	✓		
All contracts over £25,000 but below the threshold below (England only).	✓	✓ Use of the Contracts Finder/ find a tender website (see paragraph 11 to 16 below).	

Public service or supply contract over £189,330 or public works contract over £4,733,252	✓		✓ Follow most complex procedure (see paragraphs 17 to 21).
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4. The requirement for councils in England and Wales to have standing orders with respect to procuring and entering into contracts is set out in s.135 of the 1972 Act. This Note provides (A) an explanation of councils' responsibilities under the 1972 Act (England and Wales), (B) an explanation of the bodies and contracts which are subject to the 2015 Regulations (England and Wales), (C) an explanation of the Contracts Finder/ find a tender provisions and other light touch requirements for procuring and awarding contracts covered by the 2015 Regulations which are valued over £25,000 (England only) and (D) an overview of the complex requirements for procuring contracts covered by the 2015 Regulations which are valued over £189,330 for a public supply or public service contract or £4,733,252 for a public works contract (England and Wales).

NALC's model standing orders reflect the requirements set out above. **N.B. the thresholds remain in place post-Brexit.**

A. Standing Orders (s. 135 of the 1972 Act)

5. S.135 of the Local Government Act 1972 provides:
- A local authority (which includes local councils in England and Wales) may make standing orders with respect to the making of contracts by them or on their behalf.
 - A local authority shall make standing orders with respect to the making by them or on their behalf of contracts for the supply of goods or materials or for the execution of works.
 - Standing orders made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited, but may exempt from any such provision contracts for a price below that specified in standing orders and may authorise the authority to exempt any

contract from any such provision when the authority are satisfied that the exemption is justified by special circumstances.

- A person entering into a contract with a local authority shall not be bound to inquire whether the standing orders of the authority which apply to the contract have been complied with, and non-compliance with such orders shall not invalidate any contract entered into by or on behalf of the authority.

6. S.135 (3) confirms that, in England or Wales, a local council may adopt standing orders which exempt contracts from a tendering exercise if they are below a certain value or if specific circumstances apply. The Contracts Finder/ find a tender and other light touch provisions of the 2015 Regulations apply in England only to contracts valued above £25,000. This means that councils in England may have standing orders which confirm that contracts valued at £25,000 or below are exempt from a tendering or procurement exercise. Councils in Wales are not subject to this limit but this figure is included in NALC's model standing orders and financial regulations for Wales. A council's standing orders (and financial regulations) need to confirm the procurement requirements (if any) that will apply for the award of a new contract, which will be dependent on its value (or special circumstances). It is recommended that a council's standing orders (and financial regulations) confirm if contracts below a certain value (for councils in England, this means contracts valued at £25,000 or below) are exempt from a tendering or procurement exercise. It is also recommended that the council's standing orders and financial regulations confirm that the procurement of contracts over a certain value (for councils in England, this means contracts over £25,000) will be subject to the requirements in 2015 Regulations.

B Which bodies are covered by the 2015 Regulations?

7. The 2015 Regulations imposes procurement requirements on "contracting authorities" which include local authorities (and therefore includes local councils), associations formed by one or more such authorities (e.g. County Associations) and "bodies governed by public law" (e.g. government departments, NHS trusts, maintained schools and Academy schools) (Regulation 2 of the 2015 Regulations). "Bodies governed by public law" includes an organisation set up for the general as opposed to commercial interest, with its own legal status, and which is financed or managed by a local authority. If a local council is the sole or managing trustee of a charity,

appoints most of the trustees or grants the majority of the charity's income that charity will be subject to the 2015 Regulations.

Which contracts are covered by the 2015 Regulations?

8. The 2015 Regulations apply to "public contracts" which are defined as "contracts.... having as their object the execution of works, the supply of products or the provision of services." Regulation 2 of the 2015 Regulations defines each of those three contracts as follows:

"public service contracts" meaning public contracts which have as their object the provision of services other than those referred to in the definition of "public works contracts";

"public supply contracts" meaning public contracts which have as their object the purchase, lease, rental or hire-purchase, with or without an option to buy, of products, whether or not the contract also includes, as an incidental matter, siting and installation operations;

"public works contracts" meaning public contracts which have as their object any of the following:—

- the execution, or both the design and execution, of works related to one of the activities listed in Schedule 2 (see paragraph 9 below);
- the execution, or both the design and execution, of a work;
- the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work;

9. The activities in Schedule 2 to the 2015 Regulations which are included in the definition of a "public works contract" include site preparation, demolition of buildings, construction of new buildings, erection of roofs, bricklaying, scaffolding, insulation work, plumbing, plastering, joinery installation, floor and wall covering and painting and glazing, civil engineering works and construction of highways, roads, airfields and sport facilities.

Public contracts which are exempted from the 2015 Regulations

10. Regulations 7 to 12 provide that certain public contracts are exempted from the requirements of the 2015 Regulations. Regulation 10 confirms, for example, that contracts for the acquisition of land and buildings, legal

services (legal advice and representation), bank services are exempted. In the context of local authorities, Regulation 12, for example, excludes:

- a contract with an incorporated body, controlled by a local authority, where more than 80 % of the body's activities are controlled by the local authority and there is no private sector ownership of the body, with certain exceptions;
- a contract between two or more local authorities who come together to provide a public service to achieve objectives they have in common and that the joint venture is governed solely by considerations relating to the public interest (e.g. where a parish council enters into arrangements with a principal council) and
- an incorporated body which is a contracting authority awards the contract to its controlling local authority or to an incorporated body controlled by the same local authority;

C. Advertising requirements

Brexit - transitional advertising arrangements

31 December 2020 marked the end of the transition period for the purposes of leaving the EU. There are new advertising requirements, with the introduction of "find a tender". Government guidance, which also includes procurement policy notes, FAQs and a flow chart, sums up the main points

<https://www.gov.uk/guidance/public-sector-procurement-from-1-january-2021>

Below is a summary of the post 31 December 2020 changes:

1. Find a Tender went live at the end of the transition period (23:00 on 31 December 2020) -<https://www.find-tender.service.gov.uk/Search>
2. Procurements on OJEU/TED that were commenced prior to the end of the transition period must be concluded on OJEU/TED.
3. New procurements commenced after the end of the Transition Period must be advertised on Find a Tender.
4. Requirements to advertise on [ContractsFinder](#) and [Sell2Wales](#) remain unchanged (see below).

The Contracts Finder website and other light touch rules in 2015 Regulations (England only)

11. Where the estimated value of a public contract exceeds £25,000 (net of VAT) a local council in England must comply with Articles 109 to 114 of the 2015 Regulations (in addition to section 135 of the 1972 Act). Regulation 110, which concerns the advertisement of a contract opportunity, is summarised below.
 - Subject to the above paragraph on the changes post 31 December 2020, a council must advertise the contract opportunity on the “Contracts Finder” website when it advertises the contract opportunity elsewhere. A council will have advertised a contract opportunity elsewhere if it does anything to put the opportunity in the public domain or bring the opportunity to the attention of economic operators generally or to any class or description of economic operators which is potentially open-ended, with a view to receiving responses from economic operators who wish to be considered for the award of the contract (e.g. places details of the opportunity on its website, in a newspaper or a trade paper);
 - A council does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators (i.e. if a council has an arrangement with a limited number of approved organisations to undertake work for the council); Regulation 33 defines a “framework agreement” as an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. Contracting authorities may conclude framework agreements if they apply the procedures in Part 2 of the 2015 Regulations. Regulation 33 provides that framework agreements should not exceed 4 years except in exceptional circumstances. A council must advertise the contract opportunity on Contracts Finder within 24 hours of advertising it elsewhere;

- The information to be published on Contracts Finder shall include at least the following:— (a) the time by which any interested economic operator must respond if it wishes to be considered; (b) how and to whom such an economic operator is to respond; and (c) any other requirements for participating in the procurement;
 - Where a council publishes information on Contracts Finder it must — (a) by means of the internet, offer unrestricted and full direct access free of charge to any relevant contract documents; and (b) specify in the information published on Contracts Finder the internet address at which those documents are accessible;
 - A council may advertise the contract opportunity on the “Contracts Finder” website when it does not advertise the contract opportunity elsewhere;
 - It must have regard to guidance issued by the Minister for the Cabinet Office.
12. Regulation 111 provides that councils cannot include a pre-qualification stage. A “pre-qualification stage” is defined as “a stage in the procurement process during which the contracting authority assesses the suitability of candidates to perform a public contract for the purpose of reducing the number of candidates to a smaller number who are to proceed to a later stage of the process.” A council may ask tenderers to answer “suitability assessment question” which is defined as relating “to information or evidence which the contracting authority requires for the purpose of assessing whether candidates meet requirements or minimum standards of suitability, capability, legal status or financial standing” if the questions are relevant to the subject-matter of the procurement; and proportionate. Councils must have regard to guidance issued by the Minister for the Cabinet Office which can be accessed via www.gov.uk/government/collections/procurement-policy-notes
13. Regulation 113 provides that councils must ensure that contracts contain suitable provisions stating that valid undisputed invoices will be paid by within 30 days. Public contracts must also contain a condition requiring contractors to include similar provisions in their contracts, and so on down the supply chain. Councils shall have regard to any guidance issued by the Minister for the Cabinet Office.

14. When a contract is awarded, a council, having regard to guidance issued by the Minister for the Cabinet Office, must publish on the Contracts Finder the information set out in Regulation 112. This includes:

- the name of the contractor;
- the date on which the contract was entered into;
- the value of the contract;
- whether the contractor is a SME (defined as an enterprise falling within the category of micro, small and medium-sized enterprises defined by the European Commission) or VCSE (defined as a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives).

15. A council may withhold information in paragraph 14 above from publication where its release

- would impede law enforcement or would otherwise be contrary to the public interest,
- would prejudice the legitimate commercial interests of a particular economic operator, whether public or private, or
- might prejudice fair competition between economic operators

16. The above is a summary of the main requirements in relation to use of the Contracts Finder website. Councils are recommended to read the 2015 Regulations which can be accessed via www.legislation.gov.uk/ukSI/2015/102/contents/made

D. Complex requirements in the 2015 Regulations for high value contracts

17. The 2015 Regulations incorporate the Public Contracts Directive 2014/24/EU (“the Public Contracts Directive”). In its simplest terms, the Public Contracts Directive facilitates the award of certain contracts to any business entity in the EU.

Financial thresholds (net of VAT)

18. Even if the procurement and award of a contract is covered by the 2015 Regulations (see paragraphs 8 and 9 above) and is not an exempted contract (see paragraph 10 above) it will not be subject to the full

requirements of the 2015 Regulations unless its estimated value exceeds the thresholds in Article 4 of the Public Contracts Directive (Regulation 5 (1) of the 2015 Regulations). The thresholds in the Directive are adjusted by the European Commission every two years and are published in the Official Journal of the European Union (OJEU) (Regulation 5(4) of the 2015 Regulations). As already mentioned in paragraphs 3 and 4 above, the current thresholds are:

Type of contract	Threshold (net of VAT)
Public works contracts	£4,733,252
Public service contracts	£189,330
Public supply contracts	£189,330

19. Few contracts to be awarded by local councils will exceed the thresholds above but, if they do, they will be subject the requirements summarised in paragraph 21 below.
20. As noted above, contracts procured by councils in England which are worth over £25,000 but less than the thresholds in paragraph 18 above will still be subject to the Contracts Finder website and other light touch provisions in the 2015 Regulations summarised in paragraphs 11 - 16 above.

Procedural requirements

21. Contracts awards exceeding the thresholds in paragraph 18 above are detailed and complex. It is likely that councils considering such high value contracts will require technical and or legal advice from those who specialise in public procurement. Set out below is a very brief overview of the full requirements of the 2015 Regulations - where they apply.
 - Procurement must take one of five forms; the open procedure, the restricted procedure, competitive dialogue, the innovations partnership procedure; and competitive procedure with negotiation;
 - Accelerated forms of the open procedure and competitive procedure with negotiation and the restricted procedure in situations of urgency that a local council can duly substantiate;

- There is a pre-qualification stage;
- Councils will need to comply with the requirements in respect of tenders;
- Contracts should be awarded on the “most economically advantageous tender (Regulation 67);
- Contracts can be varied without going through a new procurement exercise in specified situations. (Regulation 72); and
- Contracts should be advertised on the Find a Tender/ Contracts Finder website (Regulation 106) – see paragraph 10 above and for the guidance on publishing in the Official Journal of the European Union (OJEU);

N.B. Central purchasing activities (where one body does purchasing for a series of organisations) and the European Single Procurement Document (a self-declaration form used in EU public procurement procedures) are covered by the 2015 Regulations.

Other Legal Topic Notes (LTNs) relevant to this subject:

LTN	Title	Relevance
15	Legal Proceedings	Useful for threatened or actual legal proceedings relating to contract disputes.
29	Basic Charity Law	Explains responsibilities of council as a charity trustee.
35	Contracts	Guide to basic contract law.