

## Annual Governance and Accountability Return 2020/21 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2020/21

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
  - The Annual Internal Audit Report must be completed by the authority's internal auditor.
  - Sections 1 and 2 must be completed and approved by the authority.
  - Section 3 is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must be approved and published on the authority website/webpage before 1 July 2021**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) no later than 30 June 2021. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2021
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2020/21

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Section 1, Section 2 and Section 3 – External Auditor Report and Certificate will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2021 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2020/21**, approved and signed, page 4
- **Section 2 - Accounting Statements 2020/21**, approved and signed, page 5

Not later than 30 September 2021 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.



## Guidance notes on completing Part 3 of the Annual Governance and Accountability Return (AGAR) 2020/21

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2021.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (Section 2, page 5). An explanation must be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on page 5. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Responsible Financial Officer (RFO), on behalf of the authority, must set the commencement date for the exercise of public rights of 30 consecutive working days which must include the first ten working days of July.
- The authority must publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor before 1 July 2021.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations from last year to this year been published?	✓	
	Has the bank reconciliation as at 31 March 2021 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	✓	

\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)



# Annual Internal Audit Report 2020/21

## SWANAGE TOWN COUNCIL

www.swanage.gov.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")	✓		
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.	N/A		
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken SEE ATTACHED SHEET

Name of person who carried out the internal audit

DD/MM/YYYY DD/MM/YYYY DD/MM/YYYY

Mrs R Darkin-Miller LLB(Hons) BFP FCA

Signature of person who carried out the internal audit

[Signature]

Date

17/05/2021

\*If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

### SWANAGE TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of Internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
	✓		has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

24/05/2021

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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## Section 2 – Accounting Statements 2020/21 for

### SWANAGE TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	1,622,749	1,756,070	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	718,030	732,390	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,837,765	1,406,306	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	937,273	895,905	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	1,485,201	1,490,941	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,756,070	1,507,920	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,899,824	1,717,084	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	12,790,230	13,015,884	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.  N.B. The figures in the accounting statements above do not include any Trust transactions.
	✓		

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE REQUIRED

Date

24/05/2021

I confirm that these Accounting Statements were approved by this authority on this date:

24/05/2021

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

## Section 3 – External Auditor’s Report and Certificate 2020/21

In respect of **SWANAGE TOWN COUNCIL**

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is not a full statutory audit, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it does not provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor’s limited assurance opinion 2020/21

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

### 3 External auditor certificate 2020/21

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2021.

\*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY



SWANAGE TOWN COUNCIL AGAR 2020/21

**Date(s) Internal audit undertaken:**

02/10/2020	05/10/2020	06/10/2020	21/10/2020	23/10/2020	26/10/2020
02/11/2020	03/11/2020	09/11/2020	10/11/2020	13/11/2020	23/11/2020
27/11/2020	01/12/2020	02/12/2020	15/02/2021	14/05/2021	17/05/2021



R Darkin-Miller LLB (Hons) BFP FCA 17/05/21

## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

### SWANAGE TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		'Yes' means that this authority:	
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.	
2. We maintained an adequate system of Internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.	
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.	
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.	
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.	
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.	
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.	
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
	✓			

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

24/05/2021

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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## Section 2 – Accounting Statements 2020/21 for

### SWANAGE TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	1,622,749	1,756,070	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	718,030	732,390	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	1,837,765	1,406,306	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	937,273	895,905	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	1,485,201	1,490,941	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	1,756,070	1,507,920	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	1,899,824	1,717,084	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	12,790,230	13,015,884	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
	✓		<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE REQUIRED

Date 24/05/2021

I confirm that these Accounting Statements were approved by this authority on this date:

24/05/2021

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

# SWANAGE TOWN COUNCIL



## Financial Review Year Ended 31<sup>st</sup> March 2021

### Contents

1. Introduction and Overview
2. Financial Review
  - Revenue Account/Service Provision
  - Capital Programme and Planning
  - Treasury Management
  - Earmarked Reserves
3. Accounting Statements
  - The Annual Return
  - Accounting Policies
4. Supplementary Information in Support of the Annual Return
  - Income & Expenditure
  - Bank Reconciliation
  - Reconciliation of Reserves to Cash
  - Tangible Fixed Assets and Long-Term Investments
  - Long-Term Borrowing
  - Notes



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## 1. Introduction & Overview

In line with the Accounts and Audit (England) Regulations 2015, the Town Council's statutory statement of account is the Annual Governance & Accountability Return (AGAR), a format developed for the town and parish council sector and other 'smaller relevant bodies' (SRB) with annual income or expenditure of less than £6.5m.

However, given its wide-ranging role as one of the largest town councils in England, the Council has agreed that it should produce a separate review of the financial year, to provide a more detailed commentary on the Council's finances for the benefit of councillors and officers, and to provide transparency for local residents.

## 2. Financial Review

### Revenue Account/Service Provision

A summary of the Council's budgeted and actual income and expenditure, with variances, is given below.

Service	Net Expenditure	Budgeted Net Expenditure	Variance Year to Date
Car Parks	(195,832)	(345,760)	149,928
Boat Park	(25,056)	(31,935)	6,880
Public Conveniences	111,726	143,055	(31,329)
Cemeteries	(16,813)	(23,520)	6,707
Parks and Operations (incl CCTV)	570,352	612,215	(41,863)
Beach Gardens	5,915	33,610	(27,695)
Beaches/Foreshore	52,060	57,150	(5,090)
Beach Chalets/Bungalows	9,555	(89,550)	99,105
Publicity/Tourism	163,787	185,430	(21,643)
Allotments	(6,896)	(3,190)	(3,706)
General Buildings (inc. Caravan park)	(7,125)	(80,505)	73,380
Central services to the public:	331,730	348,585	(16,855)
Democratic & Corporate Management	69,572	75,800	(6,228)
Grants & Donations	16,576	19,195	(2,619)
<b>Net Cost of Services</b>	1,079,551	900,580	178,972
Interest payable and similar charges	3,103	5,600	(2,497)
Interest and investment income	(184,898)	(185,000)	102
<b>Net Operating expenditure</b>	897,756	721,180	176,576
Other Movements on the General Fund	(30,888)	25,500	(56,388)
<b>Amount to be financed:</b>	866,868	746,680	120,188
<b>Financed by:</b>			
Grants/Donations	(104,806)	(3,000)	(101,806)
Community Infrastructure Levy	(148,751)	0	(148,751)
Precept on Dorset Council	(732,390)	(732,390)	0
<b>Total Financing:</b>	(985,947)	(735,390)	(250,557)
<b>(Surplus)/Deficit for the Period</b>	(119,079)	11,290	(130,369)



## FINANCIAL REVIEW 2020/21

2020/21 was clearly an extraordinary year in light of the pandemic and the ensuing lockdown measures. Budget monitoring and predicting a likely out-turn figure in-year has never been more uncertain. This report provides an opportunity to analyse and review the impact of these unprecedented circumstances on the Council's financial performance as of 31<sup>st</sup> March 2021.

During 2020/21 the net expenditure on Town Council services, taking into account all revenue income and expenditure, was £897,756, this being £176,576 more than budgeted. The Council also funded £23,377 of capital expenditure from its revenue account (see section on Capital Programme below). The Council received a total of £732,390 in Precept, together with grants, donations and other contributions of £253,557. It also drew on a net sum of £54,265 from its earmarked reserves to fund specific projects. Overall, this resulted in a surplus on the General Fund for the year of £119,079.

The Town Council has three principal sources of income: the Council Tax Precept, car parking revenue and investment income. During 2020/21 these together generated income of £1.4 million, compared to £1.49 million in 2019/20. Grant income and other financial contributions also made a significant addition to Council funds during the year, totalling £253,557. The largest proportion of this relates to the final instalments of funding from the MMO (Marine Management Organisation) for capital works carried out in previous years. Taken together, these four sources of income generated £1.65 million, approximately 80 per cent of the Council's total revenue of just over £2.1 million.

A total of £732,390 was raised through the parish precept in 2020/21, an increase of 2 per cent from the previous financial year. Individual household bills increased by 2.18 per cent due to a small decrease in the tax base for the third year in a row.

Unsurprisingly, car parking income was below budget. However, given that car park charges were suspended for most of the first quarter due to lockdown restrictions there was a remarkable recovery in income in the middle of the year. This resulted in a shortfall of 15 per cent on budgeted income, and constitutes the Council's largest variance.

The income from the Council's investments was almost precisely on budget, although around 10 per cent down year-on-year. This is analysed further below in the Treasury Management section of this review.

The impact of the lockdown on the Council's sources of seasonal income was significant, most notably in respect of beach hut income, which was almost two-thirds below budget. Given that the Council took the opportunity to proceed with works to upgrade the doors on the Shore Road huts, this led to a net deficit under this budget heading.

In other cost centres, however, any loss of income was more than offset by savings, leading to a number of positive variances. Income from the beach was largely in line with expectations, and costs were lower across a wide range of budget headings, including seaweed clearance and seasonal employment costs. At Beach Gardens a significant reduction in income was more than offset by savings in staff costs alone. The Tourist Information Centre likewise saw a large reduction in income from sales, advertising boards and agency commission offset by a range of savings.

The out-turn at the boat park was mixed, resulting in a relatively small negative variance from budget. Income was not as severely affected as beach huts because boat storage continued to be available throughout lockdown. Over-budget repairs and maintenance costs, however, offset underspends in seasonal staffing.

In relation to community facilities, there was a negative variance in cemetery budgets, but in the circumstances it is clearly good to be able to report lower than anticipated income from cemetery fees. In respect of the allotments, the outturn was very similar year-on-year, but produced a significant positive variance due to an underspend on repairs and maintenance due to the deferral of fence replacement. Spending on public conveniences was significantly under budget, by more than £30,000. This was partly due to reduced operating costs in the first lockdown (savings on water, electricity and cleaning) but also due to the long-awaited exemption of public conveniences from business rates.

The Parks and Operations department is the largest budget, but produced a comparatively small positive variance of 6.8 per cent (£41,863). The main contributing factor was an underspend on employee costs, with many smaller variances also contributing to the outcome. This more than offset significant overspends in respect of Spa/Seafront hired services and Festive Lights. The General Buildings/Downs and Miscellaneous Grounds budget shows a significant negative variance of £73,380. This is explained by the deferral of the Seymer Road wall reconstruction from the 2019/20 financial year. These works have been funded from the 'committed expenditure – deferred' earmarked reserve, which was established this time last year.

Central Services costs were under budget, by approximately £17,000, almost solely explained by lower staff costs arising from a long-term vacancy. A positive variance under Democratic Representation and Management resulted from underspends on publicity and grants & donations. Further information regarding the latter is set out on page 16 of this report. Community Infrastructure Levy receipts of £148,751 have been transferred to an earmarked reserve.

Consequently, although the Council's income was in places significantly below budget (e.g. car parking and beach hut charges) this was more than offset by savings on the appointment of seasonal staff and a range of other budget underspends. It is acknowledged that lower than anticipated staff costs will have had an impact on the community by reducing the availability of seasonal employment, although on a positive note the Council has avoided the need to reduce permanent staff numbers.

The resultant surplus on the General Fund for the year of £119,079 compares with an anticipated deficit of £11,290 at budget setting. This was achieved without direct assistance from any government support packages (e.g. furlough). The overall outcome at 31<sup>st</sup> March 2021 is a General Fund Balance of £818,092, leaving the Council well-placed to withstand further financial uncertainty in the months ahead.

### **Capital Programme and Planning**

The Town Council adopts an annual capital works programme as part of its budget setting process in January. These works can be financed from reserves, either those earmarked for a specific project, the Usable Capital Receipts Reserve (UCRR), or the General Fund.



## FINANCIAL REVIEW 2020/21

Table 1 below summarises the actual capital expenditure for the 2020/21 financial year and how this was financed.

*Table 1: Capital expenditure and source of financing 2020/21*

	Funded from Capital Receipts £	Funded from Earmarked Reserves £	Funded from General Fund £	External Funding £	Total Cost £
<b>Land &amp; Buildings</b>					
Public Conveniences - North Beach	3,012	-	-	-	3,012
Bandstand	7,500	-	-	10,255	17,755
Godlingston Cemetery Extension	4,490	-	-	-	4,490
<b>Vehicles, Plant &amp; Equipment</b>					-
Nissan eNV200 - HJ70 ZLE	263	20,000	-	-	20,263
Play Areas - Days Park	-	43,226	-	-	43,226
Recreation Ground	-	134,472	-	-	134,472
Electricity Boxes-Market Main Beach	-	-	23,377	-	23,377
<b>TOTAL</b>	<b>15,265</b>	<b>197,698</b>	<b>23,377</b>	<b>10,255</b>	<b>246,595</b>

### ***Land & Buildings***

#### ***Public Conveniences- North Beach:***

The majority of the works relating to this project were carried out in 2019/20. Works were initially expected to be finished by March 2020, however, these overran into 2020/21 and as such shown as an Asset Under Construction in the 2019/20 asset register. Works were completed in June 2020 with £3,012 being spent in 2020/21, bringing the total project costs to £17,276.

***Bandstand:*** In November 2019, and following on from the restoration of the bandstand in 2019/20, Council approved the installation of seating at the bandstand, with the contract awarded to Recycling Plastic Matters. This was approved upon the basis that the Council would commit £7,500 to the project, and was subject to confirmation of contributions from Friends of Swanage Bandstand.

The seating installation was initially expected to be completed in February/March 2020, however, due to the Covid-19 pandemic works were delayed. The upper tier of seating was completed in June 2020, with the lower tier completed in July 2020. The total cost of the installation was £17,755, with the Friends of Swanage Bandstand contributing £10,255 to the costs.

***Godlingston Cemetery Extension:*** TGMS were appointed as consultants and project managers for this project during the 2020/21 financial year. To date, £4,490 has been spent on the preliminaries, with further project management and all construction costs set to be incurred in the 2021/22 financial year.

### ***Vehicles, Plant and Equipment***

**Nissan eNV200 Acenta:** Council initially approved the purchase of a pool electric vehicle, however, the Operations Manager identified a need for an additional works van during the Covid-19 pandemic, given safe distancing requirements/alternative shift patterns. Therefore, the option of purchasing a fleet electric van as an alternative was agreed by the General Operations Committee held on 11<sup>th</sup> November 2020. The electric vehicle, a Nissan eNV200 was delivered on 17<sup>th</sup> December 2020. This van was predominantly financed from the vehicle and plant replacement reserve, £20,000, with the balance of £263 being met from the UCRR.

**Play Areas – Days Park and the Recreation Ground:** Both projects had an individual budget allocation of £90,000. However, the allocated budgets were combined into one overall budget of £180,000 to cover both areas and be tendered for jointly through an ESPO framework agreement, as reported to the Capital Projects sub-committee, Minute 4 c) on 3rd June 2020.

Following the completion of this tender process, the contract was awarded to Sutcliffe Play at the Extraordinary meeting held on 23<sup>rd</sup> September 2020, Minute 38, for £175,000. The works at the Recreation Ground (renamed The Chadwick Play Area) were completed in December, and Day's Park in February 2021. The total cost of both projects was £177,698 and it is expected that some further drainage works will be undertaken in the 2021/22 financial year.

**Electricity Boxes-Main Beach:** The installation of electricity boxes to supply the Market traders in the Main Beach car park with a mains electricity supply was budgeted as a revenue expense with the budgeted costs being de minimus for capital expenditure. However, following the completion of the works, which were undertaken during surfacing repair works at the Main beach car park, the actual cost of £23,377 meant that this breached the de minimus level for capital expenditure. As such the project costs have been capitalised, with the costs being financed from the general fund.

**IT Equipment:** Following a procurement exercise, Council approved the purchase of new IT Equipment. This was installed in February 2020 and old equipment was disposed. The cost of £11,836 has been met from the Council's IT equipment earmarked reserve.

### **Capital Grants**

The Council authorised payment of one capital grant of £100,000 during the year. This was issued to Dorset Council by way of the Council's contribution for the improvement works carried out on Institute Road. This was financed from the Community Infrastructure Levy (CIL) reserve.

### **Treasury Management**

The Council has continued to contract Arlingclose as its treasury advisors and remains classified as a retail client, restricting the advice that can be given to a small extent.

The Council continues to maintain its objective of the security of capital over yield, within the parameters as set out in the Treasury Management Strategy Statement 2020/21 and upon advice given by Arlingclose. The Council has continued to maintain a diversified investment portfolio, given the size



## FINANCIAL REVIEW 2020/21

of its balances, throughout the course of the 2020/21 financial year, utilising accounts with Lloyds Bank, Term Deposits with the UK Debt Management Office, Money Market Funds and pooled funds.

Short-term investment activity has been minimal during the year, with movements of cash equivalents being the main activity. As the impact of Covid-19 was felt by markets yields reduced to extremely low levels, and despite the potential for negative interest rates, this was not realised during the 2020/21 financial year. However, the DMADF deposit was invested at 0%, with a cautious approach being taken. An average yield of 0.01% was being realised at the end of the financial year on short-term investments.

With regards to long-term investments (strategic investments) the Council continued to maintain the units held in the CCLA LAMIT property fund, the Ninety-One (ex Investec) Diversified Income Fund and the M&G Strategic Corporate Bond Fund. In accordance with the *Practitioner's Guide*, long-term investments are recorded in the asset register (and included in Box 9 of the AGAR section 2) at the original cost of acquisition this being £2.5m, £1m and £0.5m respectively. In recognition of the fact that the value of long-term investments will change over time, the market value of the long-term investments held by the Council are noted in the Fixed Asset Register. For the three long term investments held by the Council these are £3,045,533, £965,700 and £503,174 at 31<sup>st</sup> March 2021, a total of £4,514,407, with unrealised gains of £514,407 overall.

In terms of income generation these funds have continued to perform well and above estimate, realising an annualised yield of 4.24%, 4.13% and 3.66% respectively, based upon market value rather than book value.

The net return on the Council's investments had been estimated at £185,000, with an actual outturn of £184,898 being realised at year end.

The Council's Annual Treasury Report 2020/21, which gives a more in-depth review, has been published separately. A summary of investments held at 31<sup>st</sup> March 2021 can be found on page 14.

### **Earmarked Reserves**

The Council's Earmarked Reserves were established in order to build up funds to meet anticipated future expenditure as identified in the capital programme and risk register. The Council's Reserves and Balances Policy was reviewed during the course of the year, as part of the process for setting the Council's budgets for the 2021/22 financial year.

In 2020/21 a contribution of £42,467 was made from the general fund to various earmarked reserves. Conversely £245,483 of earmarked reserves were utilised to finance revenue expenditure. The majority of this financing was made from the deferred committed expenditure reserve which was established in 2019/20 due to the large number of projects that had not been completed at year end. At the end of 2020/21 this reserve held £86,450, being the budgeted cost of projects that were outstanding at 31<sup>st</sup> March 2021. If this expenditure is not met in 2021/22 the funds held in the reserve will be appropriated back to the general fund.

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The Community Infrastructure Levy (CIL) Reserve also received contributions of £148,751. This reserve holds funds raised by Dorset Council from the CIL in order to meet expenditure in accordance with Community Infrastructure Levy Regulations 2010, Regulation 59C. During 2020/21, £100,000 of this reserve was utilised to finance a capital grant to Dorset Council for improvements made to Institute Road, as per Regulations. At the end of the 2020/21 financial year, £191,161 was held in the CIL reserve.

During the course of the year, capital expenditure totalling £197,698 (excluding CIL transactions) was financed from earmarked reserves with £20,000 financing the purchase of a vehicle and £177,698 financing the installation of play equipment at the Recreation Ground and Days Park play areas.

With an opening balance of £2,543,006 a net decrease in the year of £351,963 has resulted in a balance of £2,191,043 being held at 31<sup>st</sup> March 2021. The majority of these reserves have been established to fund the Council's future capital programme. The notable exception being the unspent committed expenditure reserve.

The Council's Usable Capital Receipts Reserve (UCRR) saw a reduction of £15,265 in the year with this expenditure financing capital projects. £3,012 was utilised to finance the completion of works on the public conveniences at North Beach car park, £7,500 part-financed the installation of seating at the Bandstand, £4,490 financed the works to date at Godlingston cemetery and £263 part-financed the purchase of the electric van. The Council carries forward a balance of £2,498,786 in its UCRR into the next financial year.

A summary of the Council's reserves can be found on pages 12 to 14.



### 3. Accounting Statements

#### **The Annual Governance and Accountability Return Part 3**

The statutory statement of account is presented as the Annual Governance and Accountability Return (AGAR) Part 3 (formerly known as the Annual Return), which has been published separately. The information contained within this report provides supplementary/supporting information to the AGAR. The AGAR consists of three sections and an Annual Internal Audit report:

#### **Section 1 – Annual Governance Statement**

This consists of nine statements where members give assurance that they have discharged their responsibilities in the proper governance of the body.

#### **Section 2 – Accounting Statements**

The accounting statements consist of a summary of the income and expenditure for the year, balances and reserves held by the council at year end, cash balances and short term investments, fixed assets and long term assets and total borrowings. This section standardises the presentation of the accounts into a simple and easily understandable format and must be certified by the Responsible Finance Officer.

*Sections 1 & 2 must be approved by the Council in accordance with the requirements of the Accounts and Audit Regulation 2015*

#### **Section 3 – External Auditor report and certificate**

This report is issued by the Council's external auditor, appointed by the SAAA, and summarises the findings from the audit. It contains an opinion on the accounting statements and represents a limited level of assurance.

#### **Annual internal audit report**

This report reviews whether the systems of financial and other controls over the council's activities and operating procedures are effective.

#### **Accounting Policies**

Section 2 of the Annual Governance and Accountability Return summarises the Council's transactions for the 2020/21 financial year and its position at 31<sup>st</sup> March 2021. The statement of account has been prepared following guidance given in *Governance and Accountability for Smaller Authorities in England: A Practitioners' Guide to Proper Practices March 2020 (England)*.

#### 4. Supplementary Information in Support of the Annual Governance and Accountability Return

<b>The Annual Return - Income &amp; Expenditure</b>				
2019/20			2020/21	
£	£		£	£
	1,622,749	<i>Reserves &amp; Balances brought forward - Box 1</i>		1,756,070
		<b>Income</b>		
	718,030	<i>Precept - Box 2</i>		732,390
587,980		Rental, Interest & Investment Income	482,441	
639,834		Charges made for Services	547,306	
484,565		Other Income or Contributions	366,304	
125,386		Capital Receipts/Investments/Capital Grants	10,255	
	1,837,765	<i>Total Other Receipts - Box 3</i>		1,406,306
		<b>Expenditure</b>		
		<i>Salaries and Wages</i>		
(725,935)		Direct Service Costs	(668,851)	
(211,338)		Democratic, Management and Civic Costs	(227,054)	
	(937,273)	<i>Total Staff Costs - Box 4</i>		(895,905)
	0	<i>Loan interest/capital repayments - Box 5</i>		0
		<i>Other Costs</i>		
(827,310)		Direct service costs	(927,961)	
(25,274)		Grant and donations	(16,576)	
(186,533)		Democratic, Management and Civic Costs	(199,809)	
(398,500)		Capital Expenditure	(246,595)	
(47,584)		Capital Grants	(100,000)	
0		Long Term Investments	0	
	(1,485,201)	<i>Total Other Costs - Box 6</i>		(1,490,941)
	<u>1,756,070</u>	<i>Reserves &amp; Balances carried forward - Box 7</i>		<u>1,507,920</u>



<b>Bank Reconciliation for year ended 31st March 2021</b>			
	£	£	Note
<b>Bank Accounts</b>			
Current	48,621		
Call Account	464,352		
<i>add</i>			
outstanding receipts	3,596		
<i>add</i>			
petty cash	<u>515</u>		
Total Cash and Bank		517,084	
<b>Short Term Investments</b>			
MMFs	750,000		
Term Deposits	<u>450,000</u>		
Total Short Term Investments		1,200,000	6
<b>Total Cash and Short Term Investments – Box 8</b>		<b>1,717,084</b>	

### Reconciliation of Reserves to Cash

Where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end, the net difference between them is equal to the difference between Boxes 7 and 8.

Box 7 and Box 8 are reconciled as the balances carried forward, less debtors, plus creditors being equal to the total cash and short term investments held by the Council.

2019/20 £		Note	2020/21 £
1,756,070	Box 7 - Balances carried forward		1,507,920
(139,853)	(-) Debtors	1	(166,613)
283,607	(+) Creditors	2	375,777
1,899,824	(=)Box 8 - Total cash and short term investments		1,717,084

### Tangible Fixed Assets and Long Term Investments

Tangible fixed assets and long term assets are treated the same under the annual return. When they are purchased the cost is expensed through total other payments (Box 6) and when they are sold the proceeds of the sale are received through total other receipts (Box 3). The value of the sum of these assets is shown in Box 9 on the Annual Return.

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	Operational Assets				Non-Operational Assets		Total
	Land & Buildings	Vehicles, Plant & Equipment	Infra-structure	Community	Assets Under Construction	Investment Properties	
<b>Tangible Fixed Assets- Cost or Valuation</b>	£	£	£	£	£		£
As at 1 April 2020	7,575,857	546,410	17,105	36,594	14,264	600,000	8,790,230
Additions/Enhancements	20,767	221,338	0	0	4,490	0	246,595
Reclassifications	14,264	0	0	0	(14,264)	0	0
Valuation Adjustment	(5,576)	0	0	0	0	0	(5,576)
Disposals/	0	(15,365)	0	0	0	0	(15,365)
As at 31 March 2021	7,605,312	752,383	17,105	36,594	4,490	600,000	9,015,884
<b>Long Term Investments- Cost</b>							
As at 1 April 2020							4,000,000
Additions							0
Redeemed							0
As at 31 March 2021							4,000,000
<b>Total Fixed Assets and Long Term Assets – Box 9</b>							<b>13,015,884</b>

An adjustment of £5,576 has been made on the asset value of the Fishermen's slipway following the reversal of a creditors provision for the retention fee held at 31st March 2020. The final costs of this project were less than the provision necessitating an adjustment.

### Long Term Borrowing

2019/20		2020/21
£	Analysis of Loans - PWLB	£
0	Balance brought forward	0
0	Principal paid in year (Box 5)	0
0	<b>Total Outstanding – Box 10</b>	0

The Council remained debt free throughout the course of the financial year.

### Notes

#### 1. Debtors

2019/20		2020/21
£	Amounts falling due in one year :-	£
14,027	HMRC-VAT	38,377
88,004	Sundry Debtors	98,202
(16,800)	Provision for Bad/Doubtful Debtors	(10,000)
47,774	Payments in Advance	32,893
6,848	Stock	7,141
139,853	<b>Total</b>	166,613



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The debtors total includes £14,034 relating to an anticipated rebate of NNDR on public conveniences paid during 2020/21.

Due to the uncertainty surrounding the Covid-19 pandemic, the provision for bad/doubtful debtors was increased at the end of 2019/20. In reviewing the level at the end of the financial year, this provision was decreased due to lower levels of aged debts that were deemed doubtful at 31<sup>st</sup> March 2021.

### 2. Creditors

2019/20		2020/21
£		£
154,423	Sundry Creditors	244,362
129,184	Receipts in Advance	131,415
<u>283,607</u>		<u>375,777</u>

The value of creditors in 2020/21 includes a sizeable provision of £145k for the payment of works carried out on the car parks and as such is significantly higher than in 2019/20.

<b>Movement of Reserves</b>				
	Balance 1 April 2020	Net movement in year	Balance 31 March 2021	Note
	£	£	£	
General Fund	699,013	119,079	818,092	3
Earmarked Reserves	2,543,006	(351,963)	2,191,043	4
Usable Capital Receipts Reserve	2,514,051	(15,265)	2,498,786	5
<b>Total</b>	<u>5,756,070</u>	<u>(248,149)</u>	<u>5,507,921</u>	

This table details changes during the year in the Council's reserves. It provides opening and closing balances and details of any movements on the reserve. The total of the reserves held differs from the AGAR section 2 total in Box 7 due to the treatment of the £4m long term investments that the council holds in pooled funds. Following the *Practitioner's Guide*, when any Long Term Investments are entered into they are shown to be expensed through Box 6 thus reducing the total in Box 7. However, under statute this investment is not classified as capital expenditure and is merely a movement of cash from a short term investment to a long term investment and as such has not been shown as being expensed from a reserve.

### 3. The General Fund

2019/20		2020/21
£		£
900,000	General Fund Balance brought forward	699,013
454,018	Net Surplus or (Deficit) for Year	88,191
(78,471)	Financing Capital Expenditure	(23,377)
(576,534)	Transfers (to)/from Earmarked Reserves	54,265
<u>699,013</u>	General Fund Balance carried forward	<u>818,092</u>

The general fund balance is the Council's "working balance" and states the cumulative surplus (or deficit) on the Council's income and expenditure account. The Council has seen an increase of £119,079 on the general fund in the year, comprising of a net surplus of £88,191 for the year, less the financing of capital expenditure of £23,377 and a net transfer from the general fund to earmarked reserves of £54,265.

### 4. Earmarked Reserves

These reserves represent amounts that have been set aside in order to build up funds to meet future anticipated liabilities or to fund specific projects. Movements to/from the reserves have been made in line with the Council's Reserves & Balances Policy.

Earmarked Reserves	Balance 31/03/2020 £	Additions to Reserve £	Cap Ex f'd from reserves £	Rev Ex f'd from Reserve £	Balance 31/03/2021 £
Vehicle & Plant Replacement	20,000	0	(20,000)	0	0
King Georges Play Area & Skate Park	83,017	10,000	0	0	93,017
Play Equipment-General Areas	188,904	0	(177,698)	0	11,206
Car Park Machines	19,248	7,500	0	0	26,748
Tennis Courts Refurbishment	0	4,967	0	0	4,967
Seafront Enhancement Scheme	1,134,557	0	0	0	1,134,557
Community Sea Defence Project	450,000	0	0	0	450,000
Public Conveniences	40,000	10,000	0	0	50,000
Beach Huts Reserve	45,000	10,000	0	0	55,000
Football Club Facilities	6,958	0	0	0	6,958
De Moulham Back Roads	33,248	0	0	(5,433)	27,815
Insurance & Contingency Reserve	40,000	0	0	0	40,000
Community Infrastructure Levy	142,410	148,751	(100,000)	0	191,161
FJ Grace Trust	0	0	0	0	0
IT Equipment Reserves	13,164	0	0	0	13,164
Committed Expenditure Deferred	326,500	0	0	(240,050)	86,450
<b>Total</b>	<b>2,543,006</b>	<b>191,218</b>	<b>(297,698)</b>	<b>(245,483)</b>	<b>2,191,043</b>



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During the year a contribution of £191,218 was made to earmarked reserves from the General Fund, while £245,483 of revenue expenditure was financed from reserves, a net appropriation of £54,265. A further £297,698 of reserves was utilised to finance capital expenditure. This has resulted in a net decrease of £351,963 in Earmarked Reserves.

### 5. Usable Capital Receipts Reserve (UCRR)

The UCRR holds the proceeds of the sale of fixed assets and can only be used in accordance with regulations. The Council utilised £15,265 during the course of the year to finance capital expenditure. No capital receipts were received, resulting in a balance of £2,498,786 being held at the end of the year.

2019/20		2020/21
£		£
2,659,659	Balance brought forward	2,514,051
0	Capital receipts	0
	Less:	
(98,024)	Capital receipts used for financing Assets	(15,265)
(47,584)	Capital Grants	0
2,514,051	Balance carried forward	2,498,786

### 6. Treasury

The Council's cash/investments are disclosed in the annual return at historic cost. All investments have been made in line with the Council's Annual Investment Strategy.

Counterparty	Principal	Maturity Date	Rate
Lloyds Bank-Call Account	£464,352	n/a	0.01%
Lloyds Current Account	£48,621	n/a	0.00%
UK Government-DMADF	£450,000	17/05/2021	0.00%
Aberdeen Standard Money Market Fund	£500,000	n/a	v
CCLA-Public Sector Deposit Fund	£250,000	n/a	v
<b>Total Short Term Investments–(incl. in Box 8)</b>	<b>£1,712,973</b>		
CCLA-LAMIT Property Fund	£2,500,000	n/a	4.34%
M & G Strategic Corporate Bond Fund	£500,000	n/a	3.20%
Ninety One - Diversified Income Fund	£1,000,000	n/a	4.11%
<b>Total Long Term Investments–(incl. in Box 9)</b>	<b>£4,000,000</b>		
<b>Total Investments held @ 31<sup>st</sup> March 2019</b>	<b>£5,712,973</b>		

The Council held four short term investments at 31<sup>st</sup> March 2021. It held two investments in Money Market Funds, one with the CCLA Public Sector Deposit Fund (a qualifying MMF) and one with Aberdeen Standard. The Council also had one Fixed Term Deposit with the UK Government, Debt

## FINANCIAL REVIEW 2020/21

Management Office. The investments held with the MMFs have a variable rate of return, whilst the term deposit has interest rates of 0%. A further £464k was held in a Lloyds commercial call account, with £48k held in the Council's current account. All short-term investments return the capital sum invested plus interest.

The Council continued to maintain its units held in the CCLA LAMIT property fund, the M&G Strategic Corporate Bond Fund and the Ninety-One (formerly Investec) Diversified Income Fund valued at £2.5m, £0.5m and £1m respectively in the Annual Return. This £4m is included in Box 9 on the Annual Return.

### 7. Trust Funds – Box 11

The Council acts as Corporate Trustee for three Charitable Trusts. The Income & Expenditure for the year to 31<sup>st</sup> March 2021 for these trusts is:

	Income £	Expenditure £	Net Gain/(Loss) £
De Moulham Trust <i>Established in 1990 as a gift of land and holding of Trust land covenants</i>	0	(900)	(900)
James Day Trust (Day's Park) <i>Gift of pleasure grounds</i>	0	0	0
King George's Field <i>Deed of dedication entered into 5<sup>th</sup> May 1951</i>	0	0	0

### Charitable Funds held by Trusts:

	Balance 1 April 2020 £	Net Contributions to/(from) Fund £	Balance 31 March 2021 £
De Moulham Trust	28,933	(900)	28,033
James Day Trust	0	0	0

The status of the James Day Trust is currently under review by the Council, with no activity to report. No funds are held by the James Day Trust, registered as Gift of Public Pleasure Grounds and the Council does not hold any funds relating to the Trust in its bank account. Discussion is underway with regards to Lloyds Bank (Private Banking) retiring as the Trustee of the overarching James Day Will Trust from which income and expenditure has previously been transacted. At 31<sup>st</sup> March 2021, £73.09 was held in the James Day Will Trust income account administered by Lloyds Bank (Private Banking).

### 8. Pension

Swanage Town Council participates in the Local Government Pension Scheme (LGPS). The fund is administered by the Dorset County Pension Fund in which Swanage Town Council is pooled as a 'small scheduled body'. This fund provides members with benefits based on pay and service.



## FINANCIAL REVIEW 2020/21

Following an Actuarial Valuation by the scheme's fund actuary, Barnett Waddingham, the rate payable for the three financial years 2019/20 to 2021/22 has been set at 22% of pensionable pay. In 2020/21 the Council paid an employer's contribution of £141,148 into the Dorset County Council superannuation fund (a total of £147,057 in 2019/20). In addition, the Council is responsible for all pension payments relating to added years benefits it has awarded to former employees who have retired early, together with the related increases. In 2020/21 these amounted to £2,458 (£2,377 in 2019/20).

### 9. Grants & Donations

The following grants and donations were issued during the 2020/21 financial year.

<b>Grants &amp; Donations</b>		
<i>General Power of Competence, Localism Act, 2011</i>	£	£
<b>Revenue Grants</b>		
S.Town & Herston Football Club (Vodafone)	3,950	
DCC – Swanage First School Crossing Patrol	3,676	
Swanage & Purbeck Development Trust-Trevor Chadwick Memorial	1,200	
#Willdoes	2,000	
Purbeck Citizens Advice Bureau	1,000	
2185 (Wareham & Swanage) Air Training Corps	500	
Life Education Wessex	550	
Link Visiting Swanage	1,000	
Purbeck Coast FM Community Radio Station	2,000	
Purbeck Art Weeks	500	
Rotary Club of Swanage & Purbeck	200	16,576
<b>Capital Grants</b>		
Dorset Council-Institute Road Improvements		100,000
<b>Total</b>		<b>116,576</b>

### 10. Audit Fees

Smaller Authorities' Audit Appointments Ltd (SAAA) was appointed in January 2016 as the "person specified to appoint local auditors" under powers set out in Regulation 3 of the Local Audit (Smaller Authorities) Regulations 2015 to perform the functions set out in legislation for smaller authorities.

Following a tender process, PKF Littlejohn LLP were appointed by SAAA as the external auditor for the Council for a period of 5 years from 2017/18.

2019/20		2020/21
£		£
2,400	Fees payable to the external auditor appointed by the SAAA	2,400
0	Adjustment on previous years audit fees	0
2,400		2,400

**11. Items for Consideration**

Any events after the year end, 31st March 2021, have been considered up to the date of the Annual Return, 24<sup>th</sup> May 2021. There are no items to report which may have an effect upon the Annual Return.

# SWANAGE TOWN COUNCIL



## Annual Treasury Report 2020/21

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1. Background
2. External Context
3. Local Context
4. Borrowing Strategy and Debt Management
5. Treasury Investment Activity
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## Annual Treasury Report 2020/21

### **1. Background**

The Council's Treasury Management Strategy for 2020/21 is underpinned by having due regard to the Chartered Institute of Public Finance and Accountancy's Guidance for Smaller Public Organisations on the Application of the CIPFA Code of Practice for Treasury Management *in the Public Services: Code of Practice (2014 Edition) and Cross-Sectoral Guidance Notes 2017 Edition* (the CIPFA Code) and the Ministry for Housing, Communities and Local Government (MHCLG) *Guidance on Local Authority Investments*, updated February 2018. The Code recommends that members approve a treasury management annual report after the end of each financial year. This report fulfils the Authority's obligation to have regard to the CIPFA Code and any other appropriate guidance.

The Authority's Treasury Management Strategy for 2020/21 was approved by full Council on 20/03/2020 which can be accessed on <https://www.swanage.gov.uk/Publications-Finance.aspx>

The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

### **2. External Context**

**Economic background:** The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31<sup>st</sup> March.

A Brexit trade deal was agreed with only days to spare before the 11pm 31<sup>st</sup> December 2020 deadline having been agreed with the European Union on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for



## Annual Treasury Report 2020/21

government help. Since March 2020, the government schemes have helped protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12-month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter.

After collapsing at an annualised rate of 31.4% in Q2, the US economy rebounded by 33.4% in Q3 and then a further 4.1% in Q4. The US recovery has been fuelled by three major pandemic relief stimulus packages totalling over \$5 trillion. The Federal Reserve cut its main interest rate to between 0% and 0.25% in March 2020 in response to the pandemic and it has remained at the same level since. Joe Biden became the 46<sup>th</sup> US president after defeating Donald Trump.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but in December 2020 increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

**Financial markets:** Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated. The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same





## Annual Treasury Report 2020/21

period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).

German bund yields continue to remain negative across most maturities.

**Credit review:** After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

### **3. Local Context**

At 31<sup>st</sup> March 2020 the Authority held investments valued at £6.27m, with usable reserves and working capital being the underlying resources available for investment. At 31<sup>st</sup> March 2021, the Authority held investments valued at £6.23m. These year-end values include unrealised gains from the Council's strategic investments, being £0.39m in 2020 and £0.51m in 2021.

## Annual Treasury Report 2020/21

### 4. Borrowing Strategy and Debt Management

The Authority is debt free. The 2020/21 capital expenditure plans and treasury strategy did not imply a need to borrow over the 3-year forecast period. Usable reserves are forecast to fall to £2.65m by March 2024, as capital receipts and earmarked reserves are used to finance the Council's extensive capital programme.

### 5. Treasury Investment Activity

The Authority holds significant invested funds, representing balances and reserves held. During the year the Authority's investment balances remained relatively stable. The investment position is shown in table 1 below.

Table 1: Treasury Investment Position

Investment Portfolio	31.03.20 Balance £	Net Movement £	31.03.21 Balance £	31.03.21 Income Return %
Banks and building societies (unsecured)	179,245	333,728	512,973	
Money Market Funds	750,000	0	750,000	
UK Govt - DMO	950,000	(500,000)	450,000	
<b>Total Internal Investments</b>	<b>1,879,245</b>	<b>(166,272)</b>	<b>1,712,973</b>	<b>0.01%</b>
*Investments in Pooled Funds:				
Property	3,067,341	(21,808)	3,045,533	
Multi-Asset	878,416	87,284	965,700	
Bonds	445,157	58,017	503,174	
<b>Total External Funds</b>	<b>4,390,914</b>	<b>123,493</b>	<b>4,514,407</b>	<b>4.17%</b>
<b>TOTAL INVESTMENTS</b>	<b>6,270,159</b>	<b>(42,779)</b>	<b>6,227,380</b>	<b>3.03%</b>

\*Funds stated at Fair Value-Issued by Arlingclose

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero.

The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered

## Annual Treasury Report 2020/21

or waived fees to avoid negative net returns. Investment risk has been diversified as much as possible given the Council's overall balances.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in table 2 below, which only includes the Council's short-term investments.

Table 2: Investment Benchmarking-Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return
31.03.2020	3.94	AA-	49%	34	0.31%
31.03.2021	4.42	AA-	74%	13	0.01%
Similar LAs	4.62	A+	47%	67	0.10%
All LAs	4.63	A+	63%	14	0.15%

### Externally Managed Pooled Funds

£4.51m of the Authority's investments are held in externally managed strategic pooled funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. In terms of measuring the performance of these funds, the current value is used.

For the 2020/21 financial year these funds generated an income return of £0.18m (4.17%) which is used to support services in year, and £0.12m (2.72%) of capital growth during the year, with a total return of 6.89%.

The Authority is invested in bond, multi-asset and property funds. During the initial phase of the pandemic in March 2020, the sharp falls seen in corporate bond and equity markets had a negative impact on the value of the Council's pooled fund holdings and was reflected in the 31<sup>st</sup> March 2020 fund valuations with every fund registering negative capital returns over a 12-month period. Since March 2020 there has been improvement in market sentiment which is reflected in an increase in capital values of these strategic bond and multi-asset income funds in the Authority's portfolio. The recovery in UK equities has lagged those of US and European markets.

Similar to many other property funds, dealing (i.e. buying or selling units) in the CCLA Local Authorities' Property Fund was suspended by the fund in March 2020 and lifted in September. There was also a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions. The capital value of the property fund is shown in table 3, below.



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Table 3: Strategic Investment Returns – 12 months to 31<sup>st</sup> March 2021

<b>Fund Name</b>	<b>Book Value £m</b>	<b>Current Value £</b>	<b>Capital Growth £</b>	<b>Dividends Earned £</b>	<b>Capital Return %</b>	<b>Income Return %</b>	<b>Total Return %</b>
CCLA-LAMIT Property Fund	2.50	3,045,533	(21,808)	133,050	(0.71)	4.34	3.63
M & G Strategic Corporate Bond Fund	0.50	503,174	54,031	14,372	12.03	3.20	15.23
Ninety-One Diversified Income Fund	1.00	965,700	87,284	36,061	9.94	4.11	14.04
<b>Total</b>	<b>4.00</b>	<b>4,514,407</b>	<b>119,507</b>	<b>183,482</b>	<b>2.72</b>	<b>4.17</b>	<b>6.89</b>

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.

Following the cut in Bank rate from 0.75% to 0.10% in March 2020, the Authority had expected to receive significantly lower income from its cash and short-dated money market investments, including money market funds in 2020/21, as rates on cash investments are close to zero percent. Income from most of the Authority's externally managed funds are also lower than in 2019/20 and earlier years. Whilst the arrival and approval of vaccines against COVID-19 and the removal of Brexit uncertainty that had weighed on UK equities were encouraging developments, dividend and income distribution was dependent on company earnings in a very challenging and uncertain trading environment as well as enforced cuts or deferral required by regulatory authorities. As a guide, comparing 2020/21 to 2019/20, the Council received £11.6K less by way of income distribution on its portfolio.

Due to accounting practices, these funds are currently stated at cost price in the Council's Annual Return, £4m in total, and as such these funds have an overall unrealised gain of £0.51m at 31<sup>st</sup> March 2021. However, one fund (Ninety-One) is showing an unrealised loss. Unrealised capital losses, or gains, will not have an impact on the General Fund until such a time as the Council redeems all or part of the units held in the funds.

### Treasury Performance

The budget for investment income in 2020/21 was £185,000, based on an average investment portfolio with a fair value of £5.3million at an interest rate of 3.5%. The actual income derived from investments was £184,898 with average investment balances of £6.2m, at an average interest rate of 3%.

### Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the

## Annual Treasury Report 2020/21

definition of investments is further broadened to also include all such assets held partially for financial return.

The Council did not invest in non-treasury investments during the year.

### **6. Compliance & Treasury Management Indicators**

This report provides members with a summary report of the treasury management activity during 2020/21, having due regard to both the CIPFA Code of Practice and MHCLG Guidance. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	31.3.21 Actual	2020/21 Target	Complied?
Portfolio average credit rating	AA-	A	Yes

**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity Risk Indicator	31.3.21 Actual	2020/21 Target	Complied?
Total cash available within 3 months	£1.88m	£1m	Yes

**Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Price Risk Indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£4.5m	£4m	£2.3m
Complied?	Yes	Yes	Yes

The Authority can confirm that during 2020/21 it complied with its **Treasury Management Policy Statement** and **Treasury Management Practices**.



Dorset Association of Parish & Town Councils

Colliton Annexe,

Colliton Park,

Dorchester,

Dorset DT1 1XJ

Email: [daptc@dorsetcc.gov.uk](mailto:daptc@dorsetcc.gov.uk)

Date: 5th May 2021

Dear Member,

**Ref: DAPTC Star Awards 2020/21 — Swanage Town Council**

First of all apologies for the late confirmation of your training attendance with DAPTC in 2020/21. As you know we normally present the certificates at our Annual Conference in March each year — which hasn't been possible. It is important that your ongoing commitment to councillor training and development is recognised and we thank you for supporting these qualities in your elected members.

DAPTC now has a number of new training delivery methods that offer the need for less travel and to accommodate an individuals learning preferences. Over the next year this offer will be developed further and provide more variety and new topics.

In looking back at the last two years of training we have opted to refresh the Star Awards certificates as well as provide a social media /website logo which you are free to use as you see fit. These are attached to the email with this letter in different colour versions and hopefully one will suit your website.

Thank you once again for your support and we look forward to seeing you in the coming months at one of our events or online training courses. You can find out more about our training courses [here](#).

Yours sincerely,

*Neil Wedge*

Chief Executive, DAPTC







2020/21

**Single Star Award for Councillor Development**

Proudly Awarded To

**Swanage Town Council**

Achieved 50% participation of Councillors at events to strengthen and  
update Council knowledge

*Neil Wedge*

Chief Executive

Dorset Association of Parish & Town Councils



Dorset Association of Parish & Town Councils

Colliton Annexe,

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Yours sincerely,

*Neil Wedge*

Chief Executive, DAPTC





2019/20

Single Star Award for Councillor Development

Proudly Awarded To

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Achieved 33% participation of Councillors at events to strengthen and update  
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*Neil Wedge*

Chief Executive

Dorset Association of Parish & Town Councils