

SWANAGE TOWN COUNCIL



Financial Review Year Ended 31st March 2024

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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	Actual Net Expenditure	Budgeted Net Expenditure	Variance
Car Parks	(538,572)	(508,455)	(30,117)
Boat Park	(42,380)	(40,500)	(1,880)
Public Conveniences	157,114	148,820	8,294
Cemeteries	(23,735)	(26,700)	2,965
Parks and Operations (incl CCTV)	692,933	705,065	(12,132)
King George's Field Trust-Mgt Account	(4,593)	(1,050)	(3,543)
Beach Gardens	(3,382)	20,540	(23,922)
Beaches/Foreshore	154,841	161,875	(7,034)
Beach Chalets/Bungalows	(144,586)	(117,000)	(27,586)
Publicity/Tourism	255,046	244,520	10,526
Allotments	(7,310)	(6,050)	(1,260)
General Buildings (inc. Caravan park)	(34,903)	(65,440)	30,537
Central services to the public:	436,447	513,715	(77,268)
Democratic & Corporate Management	100,495	120,850	(20,355)
Grants Issued	12,900	14,950	(2,050)
Net Cost of Services	1,010,315	1,165,140	(154,825)
Non Operational Transactions			
Community Infrastructure Levy	(152,330)	0	(152,330)
Grants/Contributions to EMR	(6,000)	(3,000)	(3,000)
Precept on Dorset Council	(849,030)	(849,030)	0
Interest payable and similar charges	4,979	4,500	479
Interest and investment income	(307,002)	(185,000)	(122,002)
Total Net Expenditure	(299,068)	132,610	(431,678)
Appropriation to Reserves	446,459	75,000	371,459
Appropriations from Reserves	(155,388)	(154,120)	(1,268)
(Surplus)/Deficit for the Period	(7,997)	53,490	(61,487)

FINANCIAL REVIEW 2023/24

During 2023/24 the net expenditure on Town Council services, taking into account all revenue income and expenditure, was £1,010,315, this being £154,825 less than budgeted. The Council received a total of £849,030 in Precept, together with grants, donations and other contributions of £158,330 and £302,023 in net interest. It also contributed a net sum of £291,071 to its earmarked reserves to fund specific projects. Overall, this resulted in a surplus on the General Fund for the year of £7,997, compared to a forecast deficit of £53,490.

In addition to the parish precept, the Town Council has two other principal sources of income: car parking charges and investment income. Car parking income exceeded budget, bringing in £32,028 more than anticipated. This was in part due to good weather in the shoulder months, including October, and increased car park usage in December in connection with Christmas events. It also reflects a £10,000 refund in business rates in connection with the public conveniences at Main Beach Car Park.

Income from the Council's investments also significantly exceeded budget, due both to the deferral of capital expenditure and the continuation of higher than anticipated interest rates. This is analysed further below in the Treasury Management section of this review. As was the case last year, in order to comply with accounting guidance this figure includes the interest received for the fourth quarter of 2022/23 and the first three quarters of 2023/24 in relation to long-term investments.

The majority of the council's visitor services recorded a positive variance against budget. At the Boat Park lower expenditure more than offset a small underperformance in terms of income. Net expenditure on the Beaches and Foreshore budgets was largely as anticipated, overspends on repairs and maintenance and beach cleaning being more than offset by a significant underspend on seaweed clearance and the receipt of a summer demand grant from Dorset Council. The £27,565 variance on Beach Hut budgets is almost entirely due to a refund of business rates on the Spa beach huts. At the Visitor Information Centre a relatively small negative variance was the result of lower than anticipated income from stock sales and advertising boards, combined with increased spending on the advertising and promotions budget.

Beach Gardens saw a significant variation against budget due to one-off factors: a £3,382 net surplus against an anticipated loss of £20,540. This was the result of changes to the VAT treatment of leisure services and back payments from the Bowls Club for a pavilion licence fee and water usage.

Parks and Operations is the Council's largest budget, but produced one of the smallest variances, arising from an underspend on tree management and repairs and maintenance. The £30,000 negative variance in relation to the General Buildings/Downs and Miscellaneous Grounds budgets can principally be attributed to spending on professional fees in connection with the Peveril Point Road stabilisation scheme, brought forward from 2022/23, wall repairs at Prince Albert Gardens and loss of income due to the former taxi office at the station being vacant.

In relation to community facilities, the most significant monetary variances arose from lower than anticipated electricity costs in connection with the public conveniences and above-budget spending on repairs, due to works at Burlington Chine being carried over from the preceding financial year. In terms of the cemetery, income from fees was below budget, contributing to a negative variance, whereas the

allotment budgets saw a small positive variance, largely due to lower than planned expenditure on repairs and maintenance.

In terms of the Council’s management and administration costs, there were positive variances against budget across Central Services, Democratic and Corporate Management. Despite above-budget spending on legal fees and energy bills, Central Services costs were under budget due to staff vacancies and the deferral of maintenance work to the Town Hall until 2024/25. Democratic and Corporate Management costs were £20,000 under budget, largely due to the deferral of the upgrade to the Council’s main website and underspends on environmental projects and consultants’ fees in connection with the development of the Neighbourhood Plan. This more than offset unbudgeted expenditure on consultation regarding the Green Seafront Stabilisation Scheme.

Once contributions to earmarked reserves are accounted for (see section on earmarked reserves below), there is a surplus on the General Fund for the year of £7,997, contributing to an overall General Fund Balance of £873,555 as at 31st March 2024.

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 (EMR), the Usable Capital Receipts Reserve (UCRR), or the General Fund.

Table 1 below summarises the actual capital expenditure for the 2023/24 financial year and how this was financed.

Table 1: Capital expenditure and source of financing 2023/24

	Funded from Capital Receipts £	Funded from Earmarked Reserves £	Funded from General Fund £	External Funding £	Total Cost £
Land & Buildings					
Days Park Pathway & Lighting	-	57,763	-	-	57,763
Panorama Rd Upgrade	60,913	-	-	-	60,913
TOTAL	60,913	57,763	-	-	118,676

Land & Buildings

Days Park Footpath and Lighting Installation: This project commenced in 2022/23 with a budget of £70,000 having been approved by Council. However, due to inclement weather, the works were delayed and continued into 2023/24, with the project being completed in October 2023. Costs of £24,492 were incurred in the 2022/23 financial year (WIP) and £57,763 incurred in this financial year. The project was funded from the Community Infrastructure Levy reserve.

Panorama Road – Upgrade to Highways Standard: Works to upgrade the northernmost section of Panorama Road, were undertaken in the year, £60,913, funded from UCRR, in order to facilitate its

adoption by Dorset Council. The adoption is still outstanding and will be in combination with the southern section of Cow Lane where upgrading works were completed in 2022/23.

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 and investments that can be made to some 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 & Investment Strategy Statement 2023/24 and upon advice given by Arlingclose. The Council has continued to maintain a relatively diverse investment portfolio, given the size of its balances, throughout the course of the 2023/24 financial year, utilising accounts with Lloyds Bank, the UK Government, Money Market Funds and pooled funds.

Short-term investment activity, as defined in the Practitioners' Guide, has been relatively active during the year. Giving regard to the definition of short and long term investments in the Practitioners' Guide and consciously avoiding investments that are classified as long term and counted towards the expenditure and income totals in the AGAR, movements of cash have been confined to term deposits with the UK Debt Management Office (DMO). The Bank of England increased the official Bank Rate from 4.25% in March 2023 to 4.5% in May, 5% in June and 5.25% in August 2023, where it has been held. This has resulted in higher returns from short-term investments than originally estimated.

With regards to long-term investments (strategic investments) the Council continued to maintain the units held in the CCLA LAMIT property fund, the M&G Strategic Corporate Bond Fund and the Ninety-One Diversified Income Fund. However, in February the Finance & Governance Committee which oversees investments resolved to give notice of withdrawal of 1/5th of the funds held in the CCLA property fund in preparation of ensuring adequate liquidity pending the commencement of the Green Seafront Stabilisation Scheme. In accordance with the *Practitioners' 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 terms of income generation, the pooled funds have continued to perform well, realising an annualised yield of 5.03%, 4.87% and 4.63% respectively (4.94% overall), based upon market value rather than book value.

In addition to these investments, at the beginning of the year the Council also held investments of £493k in UK Gilts and £500k in a YBS CD. These investments matured during the year and although these investments were held in the short term (less than 1 year) they were classified as long-term investments for the purposes of the AGAR in accordance with the Practitioners' Guide. The redemption of these investments was classed as income rather than a movement of cash and has been recognised as such in Box 3 of the AGAR. The movement of these investments has resulted in income of £993k being included in Box 3 of the AGAR. The total of long-term investments, £4m, is included in Box 9 on the Annual Return.

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 five long-term investments held by the Council total £4.18m with unrealised gains of £180k overall.

The net return on the Council's investments had been estimated at £185,000, with an actual outturn of £307,002 being realised at year end.

The Council's Annual Treasury Report 2023/24, which gives a more in-depth review, has been published separately. A summary of investments held at 31st March 2024 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 2024/25 financial year.

A new reserve was established during the year, a Treasury Risk Management Reserve, to build up funds to offset any potential loss upon the redemption of strategic investments. Income from investments received in year, above the budgeted amount will be transferred to this EMR. In 2023/24 this amounted to £122,002 due to a combination of higher levels of funds and interest rates than those anticipated at budget setting.

Following the resolution to undertake the day to day activities of the King George V Playing Field under a management agreement a King George's Field Management Account reserves has been introduced in compliance with the agreement. Any surplus funds received in year will be appropriated to this reserve. In 2023/24 this amounted to £4,593.

In 2023/24, contributions totalling £446,459 were made to earmarked reserves. Of this sum, £288,129 was appropriated from the general fund, and a direct contribution of £6,000 was made by the Tennis Club and £152,330 of CIL monies were received. Conversely £155,388 of earmarked reserves were drawn upon to finance revenue expenditure and £57,763 financed capital expenditure.

At 31st March 2024 the committed expenditure reserve held £67,289, being the allocation of funds in 2023/24 to the Town Hall repairs & maintenance project. The implementation of this project was delayed and carried over to 2024/25. The fund is anticipated to be fully depleted in 2024/25 with the funds being appropriated back to the general fund upon completion of the works.

The Community Infrastructure Levy (CIL) Reserve received contributions of £152,330 in year. 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 2023/24, £67,455 of this reserve was utilised to finance repairs to the quay and slipway, £26,900 financed repairs to the pathways at the Recreation Ground and £57,763 financed the purchase of lighting and pathway improvements at Day's Park, as per Regulations. At the end of the 2023/24 financial year, £260,881 was held in the CIL reserve.

FINANCIAL REVIEW 2023/24

With an opening balance of £2,588,607 a net increase in the year of £233,308 has resulted in a balance of £2,821,915 of earmarked Reserves being held at 31st March 2024.

Capital Receipts Reserve

The Council's Usable Capital Receipts Reserve (UCRR) saw a reduction of £74,113 in the year being used to finance capital projects. £60,913 was utilised to finance the upgrade of the northernmost section of Panorama Road to highways standards, and £13,200 was given as a capital grant to Swanage & Herston Football Club Ltd to fund the development of a community sports facility at Day's park. The Council carries forward a balance of £2,118,147 in its UCRR into the next financial year.

A summary of the Council's reserves can be found on pages 11 to 13.

3. Accounting Statements

The Annual Governance and Accountability Return Form 3

The statutory statement of account is presented as the Annual Governance and Accountability Return (AGAR) Form 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 Regulations 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 2023/24 financial year and its position at 31st March 2024. 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 2023 (England)*.

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

The Annual Return - Income & Expenditure				
2022/23			2023/24	
£	£		£	£
	1,125,564	<i>Reserves & Balances brought forward - Box 1</i>		652,900
		Income		
	840,000	<i>Precept - Box 2</i>		849,030
647,279		Rental, Interest & Investment Income	734,221	
825,856		Charges made for Services	856,337	
360,821		Other Income or Contributions	392,549	
1,874,516		Capital Contributions/Investments	993,525	
	3,708,472	<i>Total Other Receipts - Box 3</i>		2,976,632
		Expenditure		
		<i>Salaries and Wages</i>		
(802,670)		Direct Service Costs	(897,213)	
(271,857)		Democratic, Management and Civic Costs	(305,243)	
	(1,074,527)	<i>Total Staff Costs - Box 4</i>		(1,202,456)
	0	<i>Loan interest/capital repayments - Box 5</i>		0
		<i>Other Costs</i>		
(1,073,723)		Direct service costs	(1,049,134)	
(24,480)		Grant and donations	(12,900)	
(255,800)		Democratic, Management and Civic Costs	(268,579)	
(203,047)		Capital Expenditure	(118,676)	
0		Capital Grants	(13,200)	
(2,389,559)		Long Term Investments	0	
	(3,946,609)	<i>Total Other Costs - Box 6</i>		(1,462,489)
	<u><u>652,900</u></u>	<i>Reserves & Balances carried forward - Box 7</i>		<u><u>1,813,617</u></u>

Bank Reconciliation for year ended 31st March 2024			
	£	£	Note
Bank Accounts			
Current	31,751		
Call Account	52,061		
<i>add</i>			
outstanding receipts	3,771		
<i>add</i>			
petty cash	<u>645</u>		
Total Cash and Bank		88,228	
Short Term Investments			
CCLA-Public Sector Deposit Fund	250,000		
MMF-Abrdn	500,000		
DMADF-21 Day deposit	300,000		
DMADF – 32 Day deposit	<u>900,000</u>		
Total Short Term Investments		1,950,000	6
Total Cash and Short Term Investments – Box 8		<u>2,038,228</u>	

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.

2022/23 £		Note	2023/24 £
652,900	Box 7 - Balances carried forward		1,813,617
(197,250)	(-) Debtors	1	(166,664)
376,777	(+) Creditors	2	391,275
832,427	(=)Box 8 - Total cash and short-term investments		2,038,228

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 receipted through total other receipts (Box 3). The value of the sum of these assets is shown in Box 9 on the Annual Return.

FINANCIAL REVIEW 2023/24

A revision to the Practitioners' Guide for the year commencing 1st April 2022 has meant that any asset under construction will only be brought into the asset register once complete, rather than noted as under construction. For the 2022/23 financial year, one asset was classified as under construction. This means that the additions to the fixed asset register do not balance with the capital expenditure detailed on page 3, with assets under construction from 2022/23 being added to Box 9 in 2023/24, totalling £24,492. Capital expenditure in 2023/24 was £118,676 with the addition of £24,492 of capital expenditure incurred in 2022/23 totals an addition to the Fixed Asset Register of £143,168.

	<u>Operational Assets</u>				<u>Non-Operational Assets</u>	Total
	Land & Buildings	Vehicles, Plant & Equipment	Infra-structure	Community	Investment Properties	
Tangible Fixed Assets- Cost or Valuation	£	£	£	£		£
As at 31 March 2023	7,654,766	719,029	17,105	273,821	600,000	9,264,721
Additions/Enhancements	143,168	0	0	0	0	143,168
Reclassifications	0	0	0	0	0	0
Gifted Assets	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
As at 31 March 2024	7,797,934	719,029	17,105	273,821	600,000	9,407,889
Long Term Investments- Cost						
As at 31 March 2023						4,993,525
Additions						0
Redeemed						(993,525)
As at 31 March 2024						4,000,000
<i>Total Fixed Assets and Long Term Assets – Box 9</i>						13,407,889

The redemption of long-term investments is a result of the classification of investments which, although held for the short-term, do not meet the Practitioners' Guides of a short-term investment and so, by default, are classified as long-term investments for the purposes of the AGAR. Two investments were redeemed in 2023/24 and none entered into.

Long Term Borrowing

2022/23		2023/24
£	Analysis of Loans - PWLB	£
0	Balance brought forward	0
0	Principal paid in year (Box 5)	0
<u>0</u>	Total Outstanding – Box 10	<u>0</u>

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

Notes

1. Debtors

2022/23		2023/24
£	Amounts falling due in one year :-	£
51,617	HMRC-VAT	4,771
119,245	Sundry Debtors	158,371
(35,000)	Provision for Bad/Doubtful Debtors	(35,000)
55,288	Payments in Advance	31,739
6,100	Stock	6,783
<u>197,250</u>	Total	<u>166,664</u>

The increase in sundry debtors is largely due to an increase in the provision for an NNDR refund and settlement of the Bowls Club rent review. The provision for bad/doubtful debtors has been retained at £35,000 pending resolution of an ongoing debt recovery process. The amount owed from HMRC for VAT in 2022/23 included a provision for £17,210, being a claim for VAT on leisure services. The amount paid in advance of the next financial year is lower in 2023/24 mainly due to the late receipt of an invoice for insurance for 2024/25, accounting for £22k.

2. Creditors

2022/23		2023/24
£		£
182,296	Sundry Creditors	175,850
194,481	Receipts in Advance	215,425
<u>376,777</u>		<u>391,275</u>

The increase in monies received in advance of the next financial year mainly relates to prepaid Beach Hut rentals.

Movement of Reserves				
	Balance 31 March 2023	Net movement in year	Balance 31 March 2024	Note
	£	£	£	
General Fund	865,558	7,997	873,555	3
Earmarked Reserves	2,588,607	233,308	2,821,915	4
Usable Capital Receipts Reserve	2,192,260	(74,113)	2,118,147	5
Total	<u>5,646,425</u>	<u>167,192</u>	<u>5,813,617</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 *Practitioners’ 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

2022/23		2023/24
£		£
858,630	General Fund Balance brought forward	865,558
245,425	Net Surplus/(Deficit) for Year	299,068
(29,667)	Financing Capital Expenditure	0
(208,830)	Net Transfers (to)/from Earmarked Reserves	(291,071)
<u>865,558</u>	General Fund Balance carried forward	<u>873,555</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 £7,997 on the general fund in the year, comprising of a net surplus of £299,068 for the year, less a net transfer from the general fund to earmarked reserves of £291,071.

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.

During the year a contribution of £446,459 was made to earmarked reserves from the General Fund, while £155,388 of revenue expenditure was financed from reserves, a net appropriation of £291,071. A further £57,763 of reserves was utilised to finance capital expenditure. This has resulted in a net increase of £233,308 in Earmarked Reserves.

FINANCIAL REVIEW 2023/24

Earmarked Reserves	Balance 31/03/2023 £	Additions to Reserve £	Rev Ex f'd from reserves £	Cap Ex f'd from Reserve £	Balance 31/03/2024 £
Beach Huts Reserve	75,000	10,000	0	0	85,000
Environmental Projects	17,000	25,000	0	0	42,000
Community Infrastructure Levy	260,669	152,330	(94,355)	(57,763)	260,881
De Moulham Back Roads	23,406	1,774	0	0	25,180
Insurance & Contingency Reserve	40,000	0	(21,000)	0	19,000
Treasury Risk Management Reserve	0	122,002	0	0	122,002
Car Park Machines	39,248	5,000	0	0	44,248
Play Equipment-General Areas	21,406	10,000	0	0	31,406
Vehicle & Plant Replacement	10,000	15,000	0	0	25,000
Football Club Facilities	4,443	0	(1,323)	0	3,120
Tennis Courts Refurbishment	12,312	10,066	0	0	22,378
King Georges Play Area & Skate Park	57,097	10,000	0	0	67,097
Public Conveniences	115,000	15,000	0	0	130,000
IT Equipment Reserves	23,164	5,000	0	0	28,164
Green Seafront Enhancement Scheme	1,394,557	0	0	0	1,394,557
Community Sea Defence Project	450,000	0	0	0	450,000
Committed expenditure deferred	45,305	60,694	(38,710)	0	67,289
King George's Field Mgt Account	0	4,593	0	0	4,593
Total	2,588,607	446,459	(155,388)	(57,763)	2,821,915

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 £60,913 during the course of the year to finance capital expenditure, with a further £13,200 being a grant awarded to Swanage & Herston Football Club. No capital receipts were received, resulting in a balance of £2,118,147 being held at the end of the year.

2022/23 £		2023/24 £
2,256,284	Balance brought forward	2,192,260
0	Capital receipts	0
	Less:	
(64,024)	Capital receipts used for financing Assets	(60,913)
0	Capital Grants	(13,200)
<u>2,192,260</u>	Balance carried forward	<u>2,118,147</u>

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 Current Account	£31,751	n/a	0.00%
Lloyds Bank-Call Account	£52,061	n/a	1.30%
Abrdn Money Market Fund	£500,000	n/a	5.26%
CCLA-Public Sector Deposit Fund	£250,000	n/a	5.26%
DMADF-21 day deposit	£300,000	18/04/2024	5.19%
DMADF-32 day deposit	£900,000	29/04/2024	5.19%
Total Short Term Investments–(incl. in Box 8)	£2,033,812		
CCLA-LAMIT Property Fund	£2,500,000	n/a	5.03%
M & G Strategic Corporate Bond Fund	£500,000	n/a	4.87%
Ninety One - Diversified Income Fund	£1,000,000	n/a	4.63%
Total Long Term Investments–(incl. in Box 9)	£4,000,000		
Total Investments held @ 31st March 2024	£6,033,812		

The Council held five short term investments at 31st March 2024. It held two investments in Money Market Funds, one with the CCLA Public Sector Deposit Fund (a qualifying MMF) and one with Abrdn. The investments held with the MMFs have a variable rate of return. Two term deposits were held with the DMO totalling £1.2m. A further £52k was held in a Lloyds commercial call account, with £31k 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 (although notice has been given to redeem 1/5th of the units held), the M&G Strategic Corporate Bond Fund and the Ninety-One Diversified Income Fund valued at £2.5m, £0.5m and £1m respectively in the Annual Return. The total of long -term investments, £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. An in-depth review of the management of the Trusts, which commenced in 2022/23, has been ongoing during the year.

The principal change made during the 2023/24 financial year was in respect of the King George's Field Swanage Trust, a management agreement between the Town Council and the Trust having been executed as a Deed on 8th November 2023. This regularises the operational relationship between the Council and the Trust and requires the Council to undertake the day-to-day management of the Playing Field and account for any income and expenditure as Council income and expenditure. An earmarked reserve, King George's Field Management Account reserve, has been established and will hold any surplus funds on the management account, as per the agreement. As such the charity itself does not incur any income or expenditure.

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The Gift of Public Pleasure Grounds Trust has as its objective the preservation as public open space of the Weather Station Field, Shore Rd; Prospect Park and Nursery; the southern verge along Gilbert Road; and a small triangular plot of land at Northbrook Cross. None of these parcels of land generate any income and are managed as part of the Town Council’s corporate property.

The largest and most complex of the Council’s Trusts is the De Moulham Trust, which has the benefit of covenants on properties across a large area of north Swanage. This continues to operate as it has done over recent years, although clarification is being sought over its potential liability for maintaining Sandpit Field on Shore Road.

Discussions are ongoing with regards to Lloyds Bank (Private Banking) retiring as the Trustee of a fourth Trust, the James Day Will Trust, and the possibility of the Council assuming the role of Trustee. At 31st March 2024, £303.80 was held in the James Day Will Trust income account administered by Lloyds Bank (Private Banking).

As noted in the 2022/23 Financial Review, the possibility of merging the Gift of Public Pleasure Grounds Trust, De Moulham Trust and the James Day Will Trust has been put forward as way to consolidate and simplify the Council’s position as Trustee to these Trusts and further consideration will be given to this in the 2024/25 financial year.

	Income £	Expenditure £	Net Gain/(Loss) £
De Moulham Trust <i>Registered 21st September 1995 following deed of assent dated 11th May 1990 gifting land and benefit of covenants to Swanage Town Council</i>	0	(44,217)	(44,217)
Gift of Public Pleasure Grounds <i>Indenture dating from 1924</i>	0	0	0
King George’s Field <i>Declaration of Trust entered into 24th September 2007</i>	0	0	0

Charitable Funds held by Trusts:

	Balance 31 March 2023 £	Net Contributions to/(from) Fund £	Balance 31 March 2024 £
De Moulham Trust	99,803	(44,217)	55,586
Gift of Public Pleasure Grounds	0	0	0
King George’s Field	0	0	0

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.

In 2023/24 the Council paid an employer's contribution of £193,011 into the Dorset County Pension Fund (a total of £172,852 in 2022/23), being 22% of pensionable pay. 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 2023/24 these amounted to £2,655 (£2,412 in 2022/23).

9. Grants

The following grants were issued during the 2023/24 financial year:

Grants - Issued		
<i>General Power of Competence, Localism Act, 2011</i>	£	£
Revenue Grants		
Swanage & Herston Football Club (Vodafone)	5,250	
Mowlem Institute (Theatre) Charity	5,000	
#Willdoes Charity	500	
Friends of Swanage Primary School	500	
Swanage Skatepark Community Project	500	
Swanage Town Band	150	
Purbeck Citizens Advice Bureau	1,000	12,900
Capital Grants		
Swanage & Herston Football Club		13,200
Total		26,100

The Council received one revenue grant during the year from Dorset Council.

Grants - Received	
<i>Revenue Grants</i>	£
Dorset Council - Summer Demand Operations	8,350
Capital Grants	
None	0
Total	8,350

The Council also made the following contributions to services provided by third parties:

Contributions to services provided by Third Parties		
	£	£
Swanage & Purbeck Development Trust-Health & Wellbeing Hub	21,000	
Dorset Coast Forum/Sustainable Swanage	19,180	
Swanage Water Safety Patrol	4,200	
Dorset Council – Swanage First School Crossing Patrol	4,179	
Total		48,559

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, BDO LLP were appointed by SAAA as the external auditor for the Council for the 5-year appointing period from 2022/23 until 2026/27. The Council has confirmed that there is no conflict of interest with BDO.

2022/23		2023/24
£		£
3,780	Fees payable to the external auditor appointed by the SAAA	2,940
0	Adjustment on previous years audit fees	0
<u>3,780</u>		<u>2,940</u>

11. Items for Consideration

Any events after the year end, 31st March 2024, have been considered up to the date of the Annual Return, 29th May 2024. There are no items to report which may have an effect upon the Annual Return.