

Minutes of the **FINANCE AND GOVERNANCE COMMITTEE**  
held at the Town Hall, Swanage on **WEDNESDAY**  
**17<sup>th</sup> DECEMBER 2025** at 2.15 p.m.

PRESENT:- Councillor M. Bonfield (Town Mayor) – Chair

Councillor T. Foster  
Councillor C. Moreton  
Councillor G. Suttle  
Councillor C. Sutton  
Councillor C. Tomes  
Councillor S. Vile

Also in attendance: -

Councillor J. Bishop  
  
Dr M Ayres Town Clerk and RFO  
Mr C Milmer Visitor Services and Business Development  
Manager (to 3.40 p.m.)  
Ms G Percival Assets & Compliance Manager (to 3.40 p.m.)  
Miss A Spencer Finance Manager

There were no members of the public present at the meeting.

1. **Apologies**

There were no apologies to record on this occasion.

2. **Declarations of Interest**

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with Section 9 and Appendix B of the Council's Code of Conduct.

**Agenda Item No. 5 (a)** – Councillor Bonfield declared a non-pecuniary interest in the scale of charges under the Code of Conduct by reason of being employed as a taxi driver and hiring a grid space in the boat park.

**Agenda Item No. 5 (a)** – Councillor Tomes declared a non-pecuniary interest in the scale of charges under the Code of Conduct by reason of close family members being private beach hut site licensees.

3. **To Consider Minutes of the Meeting of the Vexatious Correspondence and Complaints Sub-Committee meeting held on 2<sup>nd</sup> December 2025**

The minutes of the Vexatious Correspondence and Complaints Sub-Committee meeting were noted.

4. **Internal Audit Report 2025/26 – Visits 2 & 3 of 6**

Consideration was given to an Internal Audit Report – Visits 2 & 3 of 6 for the 2025/26 financial year prepared by Darkin-Miller – Chartered Accountants.

The following areas had been reviewed during the audit visits:-

- Minute review- work in progress
- Income (general testing)
- Petty Cash
- Payroll

It was highlighted that the report contained only one reportable medium level recommendation and one low level recommendation to be addressed by officers. Members noted the report.

5. **Budget Setting 2026/27 -To Review:**

(a) **Draft Estimates 2026/27**

The Town Clerk and Responsible Financial Officer introduced the Preliminary Budget Report 2026/27, which included the recommendations made at standing committees, with a finance workshop also having been held for Members. An overview of the Council's current position was given, with it being noted that the council was forecast to be in a better financial position over the next three financial years, than had been estimated in previous years. However, a cautionary note was struck due to the difficult national economic background and the as yet undetermined financial impact of the Green Seafront Scheme. Attention was drawn to the significant weight being placed upon demand driven revenue streams and the continuation of the positive impact of the second homes premium on the precept to be raised via the council tax.

In reference to the estimates for 2026/27, the importance of maintaining the Council's general reserve (general fund balance) above a risk-assessed minimum sum of £614,000 was highlighted, as a cushion against any potential financial shocks.

Members scrutinised the Preliminary Budget Report, noting the budget proposals that had been submitted by each committee. Detailed consideration was given to the recommendations for grants, donations and contributions to third parties. A lengthy discussion arose as to the funding of the Swanage Primary School Crossing Patrol, given a recommendation to 'upgrade to automatic flashing lights' made by the Community Services Committee. It was acknowledged that this matter required further discussion with the school, PTA and parents and should be reviewed again at a future meeting of the Community Services Committee. It was noted that a budget of £6,500 had been included in the draft budget for 2026/27 to fund this service, whichever option was determined. In light of this discussion, the recommendation made under Minute No. 4 of the Community Services Committee meeting held on 15<sup>th</sup> October 2025 was not moved.

Attention was drawn to the continued inclusion in the estimates of an annual grant of £5,250 to the Swanage Town & Herston Football Club, a sum equivalent to the rent received by the Council from CTIL (Vodafone) for the telecoms mast at Day's Park. In light of uncertainty around the current rent review process, Members considered whether or not the grant should be subject to retrospective revision should the rent be reduced. However, in light of the Football Club's continued commitment to community sports, it was proposed by the Town Mayor, seconded by Councillor Suttle and RESOLVED UNANIMOUSLY:

**TO RECOMMEND:**

That an annual grant in the sum of £5,250 should continue to be paid to Swanage Town & Herston Football Club until such a time as the revised rent is agreed with the telecoms mast operator, with no back rent adjustments being made to that sum.

It was noted that the draft estimates also included the following budget allocations for contributions to third parties: an £8,000 grant to the CAB (further to the recommendation contained in Minute No. 7 of the Community Services Committee meeting held on 15<sup>th</sup> October 2025); £4,300 to Dorset Council for Bay

Safety Enforcement; £15,000 to fund cultural initiatives (either as a grant or direct funding following the unsuccessful Town of Culture bid earlier in the year); £15,000 for environmental partner funding; and £10,000 for small grants to local charities/voluntary organisations.

In addition to the recommendations made by committees for one-off significant expenditure, it was reported that a further £5,000 had been included in the draft budgets for insulation works at the Town Hall (Environment & Green Spaces Committee) and £60,000 as a contribution towards works at the Sports Hall at Day's Park. It was noted that the latter sum would be deducted from the funds set aside for grant funding for the Football Club and was not an addition to existing budgets.

i. **Scale of Fees and Charges 2026/27**

Consideration was given to a draft scale of fees and charges for the Council's services for the 2026/27 financial year. It was noted that the fees and charges had been considered by a Task & Finish group in the first instance, and then by each relevant committee, with the exception of the Private Beach Hut Site licence fee. It was noted that the fees for Council-owned beach huts had already been approved and would be excluded from any voting requirement.

Members noted pressures on the economy and the impact that this may have on income from tourism and demand driven supplies. It was further noted that the draft charges included a recommendation by the Events Management Working Party of a revised charge for £750.00 for events, a reduction from the £1,000 recommended by the Tourism and Local Economy Committee. It was proposed by Councillor Foster, seconded by Councillor Vile and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup> January 2026:

That the Scale of Fees and Charges, Appendix G of the Preliminary Budget Report, excluding Taxi Permits, Boat Park and Private Site Licence Fee charges, be approved and adopted.

Further to his declarations of interest in sections of the scale of charges under item 2) above, the Chairman left the meeting. Councillor Tomes assumed the chair.

It was proposed by Councillor Foster, seconded by Councillor Suttle and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup> January 2026:

That the Scale of Fees and Charges for the Boat Park and Taxi fees, included in Appendix G of the Preliminary Budget Report, be approved and adopted.

Councillor Bonfield re-entered the meeting and assumed the chair.

Further to his declarations of interest under item 2) above, Councillor Tomes left the meeting.

It was noted that the proposed Private Beach Hut Site Licence fee had been increased by 4% year-on-year, in line with the general increase applied to other charges. It was reported that the chair of the private beach hut site owners' association had been informed of this proposal by e-mail but no representations

had been received. It was proposed by the Town Mayor, seconded by Councillor Foster and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup>

January 2026:

That the Scale of Fees and Charges for the Private Sites Licence Fee, included in Appendix G of the Preliminary Budget Report, be approved and adopted.

Councillor Tomes re-entered the meeting.

ii. **Revenue Budgets 2026/27**

Consideration was given to the draft Revenue Budget summarised in Appendix A of the Preliminary Budget Report, incorporating the significant one-off revenue expenditure shown in Appendix B, as recommended by standing committees, and the grant/third party funding considered under Minute No. 5(a) above. It was proposed by Councillor Vile, seconded by Councillor Moreton and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup>

January 2026:

That the Revenue Budget, incorporating Appendix B and grants/third party funding, be approved and adopted.

iii. **Capital Programme 2026/27**

Members gave consideration to the draft capital programme, Appendix D to the Preliminary Budget Report.

The most significant item on the programme was noted as the Green Seafront Scheme. It was reported that for the purposes of budget profiling, a sum of £4.75m had been used, with a start date of September 2027 and finish date of April/May 2028. It was noted that the budget for this project was indicative, pending the finalisation of the business plan and approval of the preferred option. A funding gap of £185,000 was highlighted, although it was noted that this could be partially mitigated by a transfer from the general fund to the Green Seafront Scheme Reserve. It was noted that this is in accordance with the adopted Reserves Policy. There was also discussion of the potential to re-allocate some funding from the Environmental Projects Reserve to fund the Biodiversity Net Gain element of the seafront works. It was AGREED:

That the budget proposals to be presented to the Estimates meeting on 12<sup>th</sup> January 2026 should contain an increased allocation to the Green Seafront Scheme Reserve.

It was proposed by the Town Mayor, seconded by Councillor Sutton and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup>

January 2026:

That the draft Capital Programme, be approved and adopted.

iv. **Precept 2026/27**

Members gave consideration to the Precept to levy for 2026/27. It was noted that further to consideration at the budget workshop, the draft budget included a figure of £1,159,000, an increase of £74,000, equivalent to a 6.82% increase in total

precept. It was further noted that due to a 4.72% increase in the tax base, this would equate to a 2.01%/£3.79 increase on a Band D property. During consideration of this proposal, Members highlighted the need for the council to ensure a robust financial position for the future in order to be able to maintain the town's assets and continue to deliver high-quality public services. Particular attention was drawn to the financial uncertainty facing the council, arising from the national economy, the yet-to-be determined cost of the Green Seafront stabilisation and enhancement proposals and the unknown impact of the second homes premium in future years.

It was proposed by Councillor Moreton, seconded by Councillor Suttle and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup>

January 2026:

That the Town Council approves a precept of £1,159,000 for the 2026/27 financial year, equivalent to a Band D bill of £192.64, an increase of 2.01%/£3.79 on the current year's charge.

(b) **Reserves Policy**

Consideration was given to the Council's Reserves Policy, last revised and adopted 20<sup>th</sup> January 2025. The proposed amendments to the Reserves Policy were noted as the merger of the King George's Play Area and Skate Park Reserve with the King George's Field Management Account and the introduction of a Grants Reserve, which would hold any underspend on the community grants budget line.

It was proposed by Councillor Sutton, seconded by Councillor Vile and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup>

January 2026:

That the revised Reserves Policy be approved and adopted.

(c) **Treasury Management and Investment Strategy Statement 2026/27**

The Finance Manager presented the draft Treasury Management and Investment Strategy Statement 2026/27 (TMISS).

It was noted that only one change had been proposed to investment counterparties and limits, the criteria within which officers operated treasury activity, from the 2025/26 financial year, this being an increase in Money Market Fund limits to £0.75m per fund and £2m for the sector.

It was proposed by Councillor Foster, seconded by Councillor Suttle and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 12<sup>th</sup>

January 2026:

That the Treasury Management and Investment Strategy Statement 2026/27 be approved and adopted.

6. **IT Policy – Draft for Consideration**

Further to Minute No. 7 of the Finance & Governance Committee meeting held on 12<sup>th</sup> November 2025, it was again noted that an IT Policy was now a requirement to comply with Assertion 10 of the AGAR Section 1-Annual Governance Statement.

Consideration was given to a revised document which had been tailored to ensure its consistency with the council's existing Internet and E-mail Policy, contained in the Staff

Handbook. After further discussion, it was proposed by Councillor Moreton, seconded by Councillor Foster and RESOLVED UNANIOULSY:

**TO RECOMMEND:**

That the draft IT Policy be adopted.

Further to the discussion about member training recorded under Minute No. 4(a) of the Finance & Governance Committee meeting held on 12<sup>th</sup> November 2025, it was noted that training regarding cyber security would be provided by Dorset Police in the near future. It was also suggested that Members be provided with some online learning opportunities.

7. **Items of information and matters for forthcoming agendas**

- (a) **Update on creation of FOI webpage** – It was reported that the webpage should be live in January 2026.
- (b) **To note receipt of Data Protection Compliance Report** – The executive summary of the report, and the improved compliance rating of 81%, was noted.
- (c) **Review of Social Media Policy**

8. **Date of next meeting**

The date of the next scheduled meeting was noted as 25<sup>th</sup> February 2026.

The meeting concluded at 3.55 p.m.

---



## DRAFT SWANAGE TOWN COUNCIL

# INFORMATION TECHNOLOGY (IT) POLICY

### Introduction

Swanage Town Council recognises the importance of effective and secure information technology (IT) and email usage in supporting its business, operations, and communications.

This policy outlines the guidelines and responsibilities for the appropriate use of IT resources and email by council members, employees, volunteers, and contractors.

### 1. Scope

This policy sets out how Swanage Town Council manages and protects its information technology (IT) systems, electronic communications, and digital data.

It applies to:

- All individuals who use Swanage Town Council's IT resources including councillors, employees, contractors, and volunteers who use IT systems or devices for council business,
- All council-owned devices, systems, software, and online services, and
- Any personal devices used to access or process council information.

The aim of this policy is to ensure that the council's digital activities are secure, lawful, and transparent, in accordance with the Practitioners' Guide 2025 and Assertion 10: Digital and Data Compliance in the Annual Governance Statement.

### 2. Acceptable use of IT resources and email

Swanage Town Council IT resources and email accounts are to be used for official council-related activities and tasks. Limited personal use is permitted, provided it does not interfere with work responsibilities or violate any part of this policy. All users must adhere to ethical standards, respect copyright and intellectual property rights, and avoid accessing inappropriate or offensive content.

### 3. Device and software usage

Council-owned equipment (laptops, tablets, printers, etc.) remains the property of the council. Users must exercise caution when downloading files, software and applications and downloads are only allowed onto devices with virus checking

software. Equipment must be returned to the council when an individual leaves office or employment. Any loss, theft, or damage must be reported immediately.

#### **4. Data management and security**

All sensitive and confidential Swanage Town Council data should be stored and transmitted securely using approved methods. Regular data backups should be performed to prevent data loss, and secure data destruction methods should be used when necessary.

#### **5. Network, internet usage and Social Media**

Swanage Town Council's network and internet connections should be used responsibly and efficiently for authorised purposes. Policy in relation to employees is set out in the staff handbook. Downloading and sharing copyrighted material without proper authorisation is prohibited. The council's official social media accounts are managed by Planning and Community Engagement Manager as authorised by the Council.

- Councillors should not comment on behalf of the council using personal profiles.
- Posts and comments must be factual, respectful, and non-political.
- Inappropriate or offensive content must be reported to the Clerk for moderation or removal.
- Use of messaging platforms (e.g. WhatsApp, Facebook Messenger) for council business must be limited to administrative coordination and not decision-making.

#### **6. Email communication**

Email accounts provided by Swanage Town Council are for official communication only. The parameters for employee use are set out in the staff handbook. Emails should be professional and respectful in tone. Confidential or sensitive information must not be sent via email without appropriate security measures being taken.

Be cautious with attachments and links to avoid phishing and malware. Verify the source before opening any attachments or clicking on links.

- All council business must be conducted through official council email accounts (e.g. [cllrxxxx@swanagecouncillors.uk](mailto:cllrxxxx@swanagecouncillors.uk)).
- Councillors and staff must not use personal email addresses for council work or forward council emails to personal inboxes.
- Passwords must be strong and changed regularly.
- Access to council email accounts will be withdrawn when a councillor or employee leaves their role, and all records must be retained by the council.

## **7. Password and account security**

Swanage Town Council users are responsible for maintaining the security of their accounts and passwords. Passwords should be strong and not shared with others. Regular password changes are encouraged to enhance security.

## **8. Mobile devices and remote work**

Mobile devices provided by Swanage Town Council should be secured with passcodes and/or biometric authentication. When working remotely, users should follow the same security practices as if they were in the office.

## **9. Email monitoring**

Swanage Town Council reserves the right to monitor email communications to ensure compliance with this policy and relevant laws. Monitoring will be conducted in accordance with the Data Protection Act and GDPR.

## **10. Retention and archiving**

Emails should be retained and archived in accordance with legal and regulatory requirements. Regularly review and delete unnecessary emails to maintain an organised inbox.

## **11. Reporting security incidents**

All suspected security breaches or incidents should be reported immediately to the designated IT point of contact for investigation and resolution. Report any email-related security incidents or breaches to the IT administrator immediately.

- All council devices must have up-to-date antivirus software and system updates installed.
- Two-factor authentication (2FA) should be enabled wherever possible.
- Passwords must be unique to council accounts and not reused across personal accounts.
- Councillors and staff must be alert to phishing emails and avoid opening suspicious links or attachments.
- Any suspected cyber incident must be reported to the Clerk without delay.

## **12. Training and awareness**

Swanage Town Council will provide regular training and resources to educate users about IT security best practices, privacy concerns, and technology updates. All employees and councillors will receive regular training on email security and best

practices. All councillors and staff will receive periodic training on IT security, data protection, and digital governance.

### **13. Compliance and consequences**

Failure to comply with this policy may result in disciplinary action or referral to the Monitoring Officer, depending on the individual's role and the seriousness of the breach.

### **14. Policy review**

This policy will be reviewed annually to ensure its relevance and effectiveness. Updates may be made to address emerging technology trends and security measures.

### **15. Contacts**

For IT related enquiries or assistance, staff and councillors can contact: Four Counties on 01963 364466.

For suspected security breaches, staff and councillors can contact: the Town Clerk on 01929 423636.

All staff and councillors are responsible for the safety and security of Swanage Town Council's IT and email systems. By adhering to this IT Policy, Swanage Town Council aims to create a secure and efficient IT environment that supports its mission and goals.

<b>Date</b>	<b>Changes made</b>
5 <sup>th</sup> November 2025	Template policy amended for Swanage Town Council.
12 <sup>th</sup> December 2025	Draft policy amended in light of Staff Handbook Internet and E-mail Policy.
17 <sup>th</sup> December 2025	Draft Policy presented to Finance & Governance Committee for recommendation to adopt.
	Policy adopted by Full Council.

# SWANAGE TOWN COUNCIL



## Budget Report

**2026/27**

### Contents

1. Introduction and Budgetary Context
2. Summary of 2025/26 Financial Year to Date
3. Income Analysis
4. Expenditure Analysis
5. Reserves and Capital Programme
6. Precept and General Fund Balance

### Appendices

- A. Summary of Estimates 2026/27 to 2028/29
- B. One-Off/Significant Revenue Expenditure 2026/27
- C. Reserves & Balances
- D. Capital Programme 2026/27 – 2028/29
- E. Financial Risk Assessment
- F. Proposed Precept Calculation for 2026/27
- G. Proposed Scale of Fees & Charges

Page left intentionally blank

## 1. Introduction and Budgetary Context

1.1 This report provides a commentary on the draft revenue budgets for 2026/27, together with planned capital expenditure and contributions to reserves and balances. The revenue and capital budgets are set out in summary format in **Appendix A**, including future projections until March 2029. This forms the basis of the Council's Medium Term Financial Plan.

1.2 The development of this budget has been informed by the Town Council's Corporate Plan 2023-25, which was adopted following extensive public consultation. The Council will be consulting on a revised Corporate Plan for 2026-30 during January and February 2026. However, it is anticipated that its priorities will remain largely unchanged, focussing on the following matters:

- Delivering Good Governance
- Promoting Sustainable/Regenerative Tourism and Supporting the Local Economy
- Encouraging Health and Wellbeing and Enhancing Community Safety
- Planning for the Future and Preserving our Heritage
- Protecting the Natural Environment and Addressing the Climate Crisis

1.3 By far the most financially significant project contained in the Corporate Plan is the stabilisation of the seafront land between Victoria Avenue and Cliff Cottage, referred to in this document as the Green Seafront Scheme. This includes Sandpit Field, the Weather Station Field and the Spa. It is recognised that significant ground movement needs to be addressed as the risk of a substantial landslip and damage to surrounding infrastructure, which would have a significant negative impact on the town's visitor economy, is increasing year-on-year.

1.4 Following an earlier consultation in 2023, two refined proposals for the Green Seafront Scheme were the subject of public consultation in the summer of 2025. A new scheme, which would see the filling in of Walrond Road to extend the 'green seafront', was the preference of 45.1% of respondents. 42.8% of respondents favoured the essential scheme which was less ambitious in its outcomes (12.1% don't know). The cost of the new scheme, and uncertainty over how it could be funded, were significant factors in the responses received.

1.5 Heidelberg Materials Contracting were instructed via Dorset Council to undertake Early Contractor Involvement to review the costings for these two schemes in light of their practical engineering experience and in advance of public engagement. This resulted in a cost estimate of £4.5m for the essential scheme and £6.5m for the new scheme.

1.6 In August 2025 it was resolved to revise the timeline for the scheme with construction commencement scheduled for September 2027. This remains an ambitious timeline. For the purposes of this draft budget estimate an inflation-adjusted figure of £4.75m has been used as the funding requirement. Expenditure on this scale by a town council is an exceptional occurrence and will have a very significant impact on Swanage Town Council's financial planning.

1.7 In terms of the national economic outlook, although the inflationary shock of the early 2020s has eased significantly, the CPI measure of inflation has risen over the last year from 2.5% in December 2024 to 3.6% in October 2025. Having fallen back to 3.2% in November

2025, the Bank of England is expecting inflation to stabilise around its 2% target over the medium term.

- 1.8 Prominent among external cost pressures over coming years is rising business rates due to implementation of the 2026 revaluation.
- 1.9 While the rise in employers' National Insurance contributions announced in the 2024 autumn budget added to the Council's employment costs in 2025/26, there will be some downward movement in this budget over the next three years as employer pension contributions to the Dorset fund of the Local Government Pension Scheme are being reduced from 22% to 19% between 2025/26 and 2028/29.
- 1.10 Interest rates which had been reduced from a high of 5.25% in the summer of 2024 to 4.5% by April 2025 have continued to fall and were reduced to 3.75% in December 2025. They are forecast to fall further during 2026/27 to a low of around 3.25%. This sustained fall in interest rates has significantly reduced the Council's investment income from a high point of £332,130 in 2024/25 to an estimated £275,000 in the current financial year.
- 1.11 The most significant external factor on the Town Council's finances in the current financial year has been Dorset Council's decision to implement a 100% premium on the council tax payable in respect of second homes, using powers contained in the Levelling Up and Regeneration Act, 2023. This resulted in a 15.8% increase in the tax base for 2025/26. There was considerable uncertainty over whether or not this would be maintained in subsequent financial years, given the potential for owners of second homes to sell their properties or take other measures to avoid the surcharge. The Town Council has, however, been informed of a further 4.7% increase in the tax base for the 2026/27 financial year.
- 1.12 The Town Council retains the ability to set its precept at a level that it deems appropriate, the Ministry of Housing, Communities and Local Government (MHCLG) having again confirmed that it has no plans in the foreseeable future to extend referendum principles to local councils to cap parish precepts.
- 1.13 The Town Council has reviewed its planned income and expenditure as part of the budget setting process. Each of the Council's standing committees met during October and November 2025 and considered relevant budget matters for the 2026/27 financial year. A financial workshop was also held for councillors on 8<sup>th</sup> December.
- 1.14 The Finance & Governance Committee met on 17<sup>th</sup> December 2025 to consider a preliminary budget which contained each of the committees' recommendations regarding the scale of charges, capital programme and schedule of one-off expenditure for the year ahead. The Committee recommended adoption of the preliminary budget, subject to the incorporation of increased allocations to the Green Seafront Scheme reserve from other reserves. These amended proposals are set out in section 5 of this report.
- 1.15 Council is asked to adopt the draft estimates, together with the scale of fees and charges and capital programme, and to agree the precept to be charged to local residents for the 2026/27 financial year. In order to ensure the availability of adequate reserves to meet future investment in the Council's assets and to protect the delivery of services in uncertain economic times, the Finance & Governance Committee recommended that the total precept

should increase by 6.82%, which, due to the increase in the tax base, would result in a 2.01% increase in household bills.

## 2. Summary of 2025/26 Financial Year to date

- 2.1 In April 2025 the total Council Tax precept was increased by 23.5%, which, due to a 15.8% uplift in the tax base, resulted in a 6.6% increase in household bills.
- 2.2 The Town Council entered the 2025/26 financial year with a surplus general fund balance of £845,675. The net cost of services is projected to be £1,074,795, 5% lower than the budget estimate of £1,135,355. As explained further below, this is largely due to higher than budgeted income from investments, car parking and Beach Gardens, together with lower than anticipated staffing costs.
- 2.3 The Council intends to transfer £430,940 net to earmarked reserves. Further information on reserves is provided in section 5 below. As a consequence of this there will be a deficit on the general fund for the current financial year of £141,580, resulting in a general fund balance at 31<sup>st</sup> March 2025 of £704,095. This is above the Council's risk assessed minimum level (see **Appendix E**) and remains within the recommended range of general reserves. This is explained further below, in paragraphs 6.2 and 6.3.

## 3. Income Analysis

- 3.1 Table 1, below, summarises the Council's largest sources of non-precept income during the last four full financial years, together with the forecast out-turn for 2025/26 and the draft budget estimate for 2026/27. These headings, together with the precept, account for approximately 95% of Council income, excluding one-off grants. At budget setting 2025/26 these income streams were projected to decrease by 3.7%; it is now anticipated that they will have remained broadly stable (down 0.9%), a decrease in investment income due to lower interest rates having largely been offset by increases in revenue from car parking, beach huts, property rentals and Beach Gardens.
- 3.2 **Car parking income** is estimated to be over £50,000 more than budgeted by year-end. This followed a decision to merge the peak and off-peak charging periods to extend the peak summer tariffs in the long-stay car parks from 1<sup>st</sup> April to 31<sup>st</sup> October. The tariffs have again been reviewed by the Car Parks and Market Working Party and the Tourism & Local Economy Committee have recommended three significant changes for the 2026/27 financial year. Firstly, to implement a year-round tariff in the short-stay shoppers' car parks with £1.20 per hour (max stay 2 hours) being charged in Mermond Place and Co-op (subject to consulting the Co-operative). Secondly, in the long-stay car parks a draft structure of £2.00 per hour (up to 5 hours) has been proposed for the period 1<sup>st</sup> April to 31<sup>st</sup> October, with a 13-hour ticket giving a full period discounted charge of £12.00. This includes North Beach, which has historically had a lower tariff applied. Thirdly, it is proposed that winter charges in the visitor car parks should be increased from £2 to £4 for stays of longer than 1 hour. These proposals underpin a projected further increase in car parking income next year, although, as always, changes in the behaviour of car park users may moderate this. The proposed tariffs are set out in full in **Appendix G**.
- 3.3 Lower interest rates have resulted in reduced **investment income**, although the projected outturn for 2025/26 is significantly above that achieved in most recent years. It is anticipated

that this trend will continue in the new financial year, with income comparable to levels seen in the late 2010s. Once the Council implements the Green Seafront Scheme this will reduce significantly and will represent a substantial reduction in Council income by the 2028/29 financial year.

3.4 Income from **property rentals** has continued to recover, due to the Council having entered into new leases for a catering unit and sauna on the seafront, and the conclusion of a number of rent reviews. Income has remained largely stable from the Council's **beach and seafront concessions** (for deckchair/pedalo hire and boat operators), although the former is currently subject to the completion of a tender process. The council also continues to receive a 1/9<sup>th</sup> share of Dorset Council's rental income from the **Purbeck Business Centre**.

**Table 1. Budgeted sources of income with an average in excess of £5,000 2021/22 – 2026/27**

Budgeted Sources of Income in excess of £5,000	21/22 Actual	22/23 Actual	23/24 Actual	24/25 Actual	25/26 Forecast Outturn	26/27 Estimate
Car Parking (includes Co-Op net income)	717,430	688,910	746,270	791,480	<b>853,780</b>	943,175
Investment Income	165,750	208,000	307,000	393,585	<b>275,000</b>	220,000
Property Rental*	203,005	207,705	176,630	194,845	<b>210,055</b>	211,555
Beach Hut Fees	128,830	159,520	162,860	183,920	<b>198,700</b>	209,450
Beach Gardens	38,200	57,610	69,525	75,980	<b>91,835</b>	93,460
Boat Park Fees	48,000	54,590	60,315	63,095	<b>65,500</b>	68,000
Cemetery Charges	35,570	39,075	28,830	43,980	<b>32,800</b>	34,500
Private Beach Hut Sites**	18,200	18,900	19,835	23,535	<b>23,835</b>	25,200
Market Income	19,125	19,275	23,000	21,890	<b>22,500</b>	23,500
Fishermen's Huts	8,820	9,630	11,130	10,780	<b>11,345</b>	11,680
TIC net income from sales and commission	6,630	8,175	8,595	9,590	<b>10,000</b>	9,200
Allotment Rents	9,000	9,225	8,920	9,260	<b>9,700</b>	9,750
Beach and Seafront Concessions***	7,770	7,995	8,255	8,355	<b>8,595</b>	8,690
Purbeck Business Centre Profit Share	8,125	8,125	8,125	8,125	<b>8,300</b>	8,400
TIC Advertising Boards	6,600	7,390	6,145	7,675	<b>7,300</b>	7,000
<b>Total</b>	<b>1,421,055</b>	<b>1,504,125</b>	<b>1,645,435</b>	<b>1,846,095</b>	<b>1,829,245</b>	<b>1,883,560</b>

\* Property rental figures do not take into account any uplift from forthcoming rent reviews.

\*\* Private Beach Hut Fees are subject to the conclusion of discussions with site users.

\*\*\* Beach Concession currently pending award of tender – estimate incorporates current fee.

- 3.5 **Beach hut income** has continued to increase in the current financial year and is projected to continue to do so during 2026/27. This is due to the combination of fee increases and the introduction of a revised charging structure.
- 3.6 The **boat park** has again remained full to capacity this year, with increases in income year-on-year. The **fishers' huts** also remained fully occupied. Increases of around 4% have been applied to most fees and charges, including the **private beach hut site licence fee**.
- 3.7 Income from **Beach Gardens** has again increased significantly in the current financial year, with putting, tennis and the Tea on the Green refreshment kiosk all contributing to this trend. Despite a budget for a small increase in staff costs, this facility is expected to generate a budget surplus over coming years.
- 3.8 Income from the **Information Centre** has risen over recent years, although it is not anticipated that this trend will be sustained in the coming financial year. Revenue from **advertising boards** has reduced since its peak in 2024/25.
- 3.9 Pitch-fee income from **Swanage Market** has remained stable year-on-year and is projected to see little change during 2026/27.
- 3.10 Income received from community facilities includes **allotments** and **cemetery charges**. Cemetery income fluctuates due to demand and is projected to have fallen year-on-year in the current financial year.
- 3.11 In total, the revenue generated from the activities listed in Table 1 is predicted to increase by 2.9% during 2026/27, with higher revenue from car parks and beach huts offsetting reduced investment income.
- 3.12 In looking to future opportunities to raise additional revenue, the Council will continue to consider commercial opportunities within the Green Seafront Scheme.

#### 4. Expenditure Analysis

- 4.1 Table 2, below, summarises the Council's largest revenue costs during the last four financial years, together with the 2025/26 forecast out-turn and the 2026/27 budget estimate. These headings account for approximately 80% of Council expenditure and are projected to have remained largely stable in the current financial year (0.9% increase), following a series of significant inflationary increases over the three previous financial years of 20%, 11% and 10% respectively. This is principally due to increases in employment costs and business rates being offset by reductions in repairs and maintenance costs and cash processing charges.
- 4.2 The Council's largest item of expenditure is **employment costs**. This is estimated to be approximately 5% below budget in 2025/26 due to a lower than anticipated pay settlement and a small number of vacancies. The budget for 2026/27 is broadly similar year-on-year. A figure of 3% for the annual cost-of-living increase has been used to estimate employment costs, in the absence of a multi-year pay settlement. A deflationary factor in future years is that following the triennial actuarial review, the employer's pension contributions to the

LGPS is being reduced from the current 22% to 21% for 2026/27, 20% in 2027/28 and 19% the following year.

**Table 2. Average Budgeted Expenditure in excess of £15,000 2021/22 - 2026/27**

<b>Cumulative Budgeted Expenditure in excess of £15,000</b>	<b>21/22 Actual</b>	<b>22/23 Actual</b>	<b>23/24 Actual</b>	<b>24/25 Actual</b>	<b>25/26 Forecast Outturn</b>	<b>26/27 Estimate</b>
Employment Costs	918,710	1,074,530	1,202,455	1,303,950	<b>1,370,060</b>	1,441,340
Business Rates	157,645	157,645	139,415	198,120	<b>220,245</b>	240,115
Repairs and Maintenance	137,965	250,300	272,115	292,930	<b>200,200</b>	220,000
Utilities	82,695	99,545	131,970	137,030	<b>142,190</b>	134,170
Public Convenience Cleaning and Toilet Requisites	64,380	72,265	76,430	76,425	<b>80,000</b>	80,000
Legal and Professional Fees	21,090	20,890	43,315	36,675	<b>42,000</b>	30,000
Car Parks Cash Collection/Credit Card/Cashless Parking	34,920	34,000	42,105	46,390	<b>38,500</b>	41,750
RNLI Lifeguards*	23,840	25,630	29,065	31,805	<b>33,250</b>	35,750
Festive Lights	23,115	23,490	17,830	26,780	<b>26,600</b>	27,700
Insurance	20,115	20,065	21,640	23,225	<b>24,105</b>	25,000
Development Trust – Health & Wellbeing Hub	n/a	n/a	21,000	21,000	<b>21,000</b>	n/a
I.T. Services	13,060	13,620	15,850	22,270	<b>20,000</b>	16,250
Seaweed Collection and Beach Raking	17,065	27,025	12,600	13,900	<b>16,400</b>	17,000
Environmental Projects Funding	15,855	19,960	19,180	11,860	<b>13,650</b>	15,000
Cultural Projects Funding	n/a	n/a	n/a	n/a	<b>15,000</b>	15,000
<b>Total Expenditure</b>	<b>1,530,455</b>	<b>1,838,965</b>	<b>2,044,970</b>	<b>2,242,360</b>	<b>2,263,200</b>	<b>2,339,075</b>

\* The lifeguard charge is subject to ongoing negotiations with the RNLI.

4.3 **Business rate** payments continue to rise given the implementation of the 2026 revaluation with significant increases in respect of the long-stay car parks.

4.4 **Planned repairs and maintenance** costs fluctuate, depending on the prioritisation of works required in accordance with the Council's Asset Management Plan. Expenditure is predicted to be 10% higher in 2026/27 than in the current financial year, but this is significantly lower than in each of the three years 2022/23-2024/25. An Asset Management Reserve was established earlier in the year to hold funds for repairs and maintenance. Funds in this reserve can be used to address unbudgeted expenditure in year, for example to finance

works where there is currently significant uncertainty about price and/or responsibility, such as remedial works to the Marsh Way/Victoria Terrace boundary wall. Expenditure in year is, therefore, likely to be above the estimated budget for 2026/27.

- 4.5 The most significant one-off items of expenditure that have been proposed for inclusion in the estimates by the Council's committees are set out at **Appendix B** for Members' approval, totalling £121,000.
- 4.6 In respect of **utilities**, the Council's energy costs are projected to remain comparatively stable in the coming year, although this is clearly subject to market forces. In line with its environmental policy, the Council has prioritised the purchase of 100% green energy in recent procurement exercises. The Finance & Governance Committee recently authorised a tender process for water supply which may subsequently impact on this budget line.
- 4.7 The **public toilet cleaning** contract cost has increased in the final two-years of the current five-year contract, prior to it being re-tendered over the winter of 2026/27.
- 4.8 The cost of **car parking fees** cash processing has fallen significantly in 2025/26 following a recent tender exercise. However, the overall cost of processing cash and card payments is scheduled to increase in 2026/27 due to additional car parking income.
- 4.9 The Council incurs a number of significant external central services costs. **Legal and professional fees** include a wide range of external professional support, such as solicitors, valuers and financial advisory services. These have increased in cost over recent years, although some of these costs are expected to be recovered from third parties and the costs are expected to fall somewhat in 2026/27. The Council's **insurance premium** has risen marginally over the last three years and will soon be put out to tender. **IT service** costs were projected to be higher in 2025/26, including the cost of replacement desktop computers, although this may now be deferred.
- 4.10 Two of the Council's largest items of expenditure relate to the beach. It is proposed to continue to engage **RNLI lifeguards** in 2026/27, although negotiations continue in respect of the fees to be paid. The annual budget for **seaweed removal and beach raking** remains significant, despite a recent change in methodology to push the seaweed back into the sea rather than removing it from the beach. The 2025/26 cost is the highest it has been in three years, although this figure varies widely as a result of weather and tidal conditions.
- 4.11 There have been a number of notable additions to Council expenditure over recent years. The largest of these relates to the annual charge for the **festive lights**. The cost increased in 2024/25 following the latest tender exercise but has since remained stable. An annual contribution towards these costs is received from the Chamber of Trade. In line with the Council's Environment Action Plan, funding for a range of **environmental projects** continues to be made available in support of important partnership work with Sustainable Swanage, the National Trust, Planet Purbeck and others. 2025/26 saw the third and final year of the Council making a £21,000 contribution to Swanage & Purbeck Development Trust towards the establishment of the Focus Centre **health and wellbeing hub**. The Trust has obtained external funding to ensure the viability of this new facility in the medium term without requiring routine revenue funding from the Town Council.

4.12 In addition to these costs, the Council makes a number of **Grants and Donations** and Contributions to Partner Organisations. As in previous years a sum of £10,000 has been allocated for small community grants in the draft budgets. Following a recommendation from the Community Services Committee to increase the annual grant contribution to Citizens Advice, the budgets contain an uplift to £8,000 p.a. This in part reflects the fact that the Town Council no longer provides free office space in the Town Hall as it did for many years prior to the pandemic.

4.13 For many years the Town Council has funded the school crossing patrol at Swanage Primary School, provided by Dorset Council. The cost of this service increased significantly in 2025/26 from £4,500 to £6,270 and is projected to rise again to £6,500 in 2026/27. The Finance & Governance Committee considered a recommendation from the Community Services Committee to implement improved traffic management measures which could replace the school crossing patrol were the post to become vacant in the future. However, it was agreed that funding for the patrol should continue through the next financial year, whilst additional engagement is undertaken with the school prior to the matter being given further consideration by the Community Services Committee.

4.14 Expenditure set out in Table 2 above is expected to increase by 3% in 2026/27 largely due to spending on staffing and business rates.

4.15 Over the next three financial years (2026/27 to 2028/29), total revenue expenditure on all items is projected to remain relatively unchanged at between £2.85m and £2.96m. This can be seen in the budget summary in **Appendix A**.

## **5. Reserves and Capital Programme**

5.1 The Town Council has an obligation to ensure that adequate investment is made in its property assets so that they remain fit for purpose, and to establish financial reserves to meet this expenditure. In addition to the statutory Useable Capital Receipts Reserve (containing the remainder of funds received from the disposal of Swanage Bay View Holiday Park and other assets), the Council has established earmarked reserves as listed in **Appendix C**.

5.2 The Town Council has been able to make significant contributions to these earmarked reserves over recent years, which held £3,067,744 at 31<sup>st</sup> March 2025. The purpose of this is to save in advance for known expenditure to prevent the Council having to fund items such as public toilet refurbishment or replacement IT equipment in any one financial year. A net contribution to earmarked reserves of £430,940 is anticipated for 2025/26 and £179,670 in 2026/27. It is proposed that they will fund expenditure of £293,500 in the current financial year.

5.3 At the Finance & Governance Committee Meeting held on 17<sup>th</sup> December 2025, particular consideration was given to the contributions to be made to the Green Seafront Scheme reserve. As set out in paragraph 1.6 above, the assumption used in setting these budgets is that a sum of at least £4.75m will be required to undertake this project. As explained in the public consultation that took place in the summer of 2025 a proportion of this sum is as yet unfunded. It was reported to the Finance & Governance Committee that the shortfall is estimated to be £185k and it was agreed that the allocation of funds to the Council's reserves should be adjusted to address the funding gap. To achieve this, it is proposed that £140,000 should be transferred from the General Reserve to the Green Seafront Scheme

Reserve at the end of the current financial year and that a further £45,000 should be funded from the Asset Management Plan Reserve in 2028/29. Further contributions to the Asset Management Plan Reserve (which includes accumulating funds to refurbish the seafront shelters) can be considered as part of future years' budget setting. These revised allocations are set out in **Appendix C**.

- 5.4 The budget cost of the Green Seafront Scheme will continue to be revised. Once the preferred scheme design has been identified and final costs have been confirmed, options to fill any remaining funding gap can be further explored, including borrowing and potential asset disposals.
- 5.5 The creation of a Grants reserve has been proposed by the Finance & Governance Committee. This would hold any underspends on the local charity/community groups grant budget (usually set at £10,000 per year), in order to build funds that could be allocated for larger grant requests from eligible groups. It is also suggested that the King George's Play Area & Skate Park reserve is merged with the King George's Field Management Account.
- 5.6 During the 2025/26 financial year £37,770 has been received from Dorset Council under the Community Infrastructure Levy on new development. As agreed by the Finance & Governance Committee in December 2022, CIL funds will be utilised in the first instance for works to Council-owned 'infrastructure' as defined in Section 216 of the Planning Act 2008. In the short term, the funds will be primarily earmarked for the Green Seafront Scheme.
- 5.7 **A schedule of estimated capital expenditure for the years 2026/27 – 2028/29**, has been considered by the Finance & Governance Committee and has been recommended for approval, as set out at **Appendix D**. The total cost of programmed works is estimated at £5.425m over the next three financial years with £3,215,160 of this being funded from earmarked reserves. The largest item of expenditure is the Green Seafront Scheme, followed by a contribution to Dorset Council's coastal defence works project (£450k), the re-provisioning of the Seafront Shelters (£180k) and a contribution towards the Days' Park community sports facility (£120k).

## **6. Precept and General Fund Balance**

- 6.1 Under section 49A of the Local Government Finance Act 1992 a Town and Parish Council must take the following factors into account in setting its annual budget:
  - the expenditure it will incur in the year in performing its functions
  - an allowance for contingencies in relation to expenditure
  - the financial reserves it will be appropriate to raise for meeting its future expenditure
  - the financial reserves necessary to meet a revenue account deficit for any earlier financial year
  - the sums which will be payable to it for the year
  - the amount of the financial reserves which the authority estimates it will use.
- 6.2 Having taken into account all sources of income and expenditure, as well as movements on its reserves, the amount that the Town Council raises as a precept will determine its general fund balance at year-end. The Town Council's policy in respect of its general fund is set out in section 3 of its Reserves Policy. This reflects the Smaller Authorities Proper Practices Panel (SAPPP) *Practitioners' Guide* that this should be tailored to reflect each authority's

size, situation and risks. A risk assessment of contingencies is set out in **Appendix E**. This suggests that £614,065 of revenue funds may be called upon in a worst-case scenario during the financial year. Although many risk factors are low, it remains of utmost importance that the Council's financial position is robust enough to withstand any unforeseen shocks, as recent years have demonstrated. The general fund should therefore be maintained above this level.

6.3 The *SAPPP Practitioners' Guide* also states that 'the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure'. Appendix A forecasts that the Town Council's net operating expenditure for 2026/27 will be £832,845. Therefore, this figure could be seen as the upper limit of the target range for the Town Council's general fund balance.

6.4 The impact of the Town Council's precept on individual households is determined by the tax base. This is a figure that is calculated by Dorset Council annually in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and is the baseline for setting council tax charges. Dorset Council has confirmed the 2026/27 tax base for Swanage at 6,016.3 an increase of 4.72% on the 2025/26 tax base, see **Appendix F**.

6.5 Following the introduction of a 100% premium on second homes, the Town Council's tax base has increased significantly. However, this has in some respects introduced a further element of uncertainty into the Council's financial planning. During 2026/27, of the 6,016.3 band D equivalents 847.3 (14%) are the result of the second homes premium. If this policy leads to second homes being sold and then occupied as primary residences, then this will, of course, reduce the premium. Not all of the uncertainty is to the downside in terms of future tax base levels; if homes that have been marketed for a year don't sell and are retained as second homes then the premium will increase. Overall, however, it is clear that the Town Council cannot rely on the premium remaining at the same level in future years. Indeed, Swanage is unusual in terms of having such a high percentage of its precept dependent on continued high levels of second home ownership.

6.6 At budget setting 2025, annual increases of 5% in precept income were proposed for the next three financial years. A 5% increase in precept in 2026/27 would generate an additional £54,250. As a result of the increase in tax base this would increase a Band D bill by £0.50 per annum bringing it to a total of £189.36.

6.7 However, following discussion at a councillor workshop held on 8<sup>th</sup> December and consideration by the Finance & Governance Committee on 17<sup>th</sup> December, during which members were mindful of the need for a robust medium term financial plan to meet its financial obligations and withstand any challenges arising from a general background of economic uncertainty, the budgets contain a precept of £1,159,000 an uplift of £74,000 (6.82%) and a charge of £192.64 per annum on a Band D property for 2026/27, an increase of 2% equivalent to £3.79 per annum.

6.8 The resultant projected general fund balance of £710,580 at the end of March 2027 is above the risk assessed lower level of £614,065 and below 12 months' net operating expenditure of £832,845.

- 6.9 When considering increases in household bills Members are mindful of the ongoing pressure on household budgets facing local residents. Information was obtained from Dorset Council as part of the 2024/25 budget setting process which demonstrated that 53% of households in Swanage are in Bands A-C (and consequently pay less than the Band D charge). Furthermore, 12.8% of these households receive Council Tax support.
- 6.10 For comparison, a table listing the precepts charged by Town Councils in Dorset for the current financial year is also provided in **Appendix F**.
- 6.11 Members are asked to consider the recommendation of the Finance & Governance Committee to adopt the draft budgets and set a precept of £1,159,000 for 2026/27 so that Dorset Council can be informed by their deadline of 31<sup>st</sup> January 2026.

Martin Ayres, Town Clerk and Responsible Financial Officer  
Alison Spencer, Finance Manager

January 2026

## Appendix A

### Swanage Town Council - Estimates 2026/27-2028/29

#### Revenue Account Summary

	Forecast 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
<b>Expenditure</b>				
Employees (all areas)	1,370,060	1,441,340	1,443,090	1,462,840
Rates (all areas)	220,245	240,115	254,270	261,870
Utilities (all areas)	142,190	134,170	138,190	142,210
Repairs & Maintenance (all areas)	200,200	220,000	150,400	251,650
Car Parks	169,195	179,750	180,710	181,400
Boat Park/Fishermen's Huts	5,290	4,345	4,450	4,555
Public Conveniences	88,200	88,400	91,100	91,300
Cemeteries	2,000	3,000	3,500	4,000
Parks & Gardens	192,455	198,700	192,150	157,100
CCTV	2,000	2,000	2,100	2,200
Beach Gardens	28,670	28,000	28,950	30,400
Beaches & Foreshore	58,110	75,250	64,930	67,735
Beach Bungalows	13,375	16,875	14,975	15,075
TIC	64,820	68,020	63,720	63,420
Allotments	625	725	750	775
General Buildings & Misc Areas	7,000	2,500	2,700	2,900
King George's Field Management Account	10,800	8,000	4,900	4,800
Central Services & Corporate Management	158,845	138,215	139,225	142,925
Grants/Third Party Contributions	77,870	64,050	49,400	49,750
Members & Civic Costs	31,800	20,650	21,100	21,550
<b>Total Expenditure</b>	<b>2,843,750</b>	<b>2,934,105</b>	<b>2,850,610</b>	<b>2,958,455</b>
<b>Income</b>				
Investment Interest	275,000	220,000	100,000	30,000
Car Parks	1,010,880	1,100,275	1,107,250	1,114,150
Boat Park/Fishermen's Huts	76,845	79,680	82,030	84,400
Public Conveniences	6,175	6,425	6,675	6,925
Cemeteries	33,240	34,940	35,940	37,040
Parks & Gardens/Buildings	223,300	224,955	225,330	226,305
Beach Gardens	91,835	93,460	98,210	101,460
Beaches & Foreshore	32,445	33,815	34,715	35,555
Beach Bungalows	199,875	210,625	210,275	245,375
TIC	33,585	33,985	34,785	35,785
Allotments	9,700	9,750	9,800	9,850
Central Services & Corporate Management	20,775	20,850	21,250	21,650
CIL	37,770	0	0	0
King George's Field Management Account	30,300	32,500	32,550	32,600
<b>Total Income</b>	<b>2,081,725</b>	<b>2,101,260</b>	<b>1,998,810</b>	<b>1,981,095</b>
<b>NET OPERATING EXPENDITURE</b>	<b>762,025</b>	<b>832,845</b>	<b>851,800</b>	<b>977,360</b>

### Capital Expenditure Summary

	Forecast 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
Capital Expenditure	466,255	245,000	4,345,000	715,000
Expenditure capital in nature	15,000	120,500	0	0
<b>Total Expenditure</b>	<b>481,255</b>	<b>365,500</b>	<b>4,345,000</b>	<b>715,000</b>

### Summary - All Income and Expenditure

	Forecast 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
<b>Expenditure</b>				
Service Provision - I & E Account	2,843,750	2,934,105	2,850,610	2,958,455
Capital expenditure	481,255	365,500	4,345,000	715,000
<b>Total Expenditure</b>	<b>3,325,005</b>	<b>3,299,605</b>	<b>7,195,610</b>	<b>3,673,455</b>
<i>less:</i>				
<b>Income</b>				
Income generated from Services - I & E Account	2,081,725	2,101,260	1,998,810	1,981,095
<b>Total Income</b>	<b>2,081,725</b>	<b>2,101,260</b>	<b>1,998,810</b>	<b>1,981,095</b>
Net Expenditure to be financed	1,243,280	1,198,345	5,196,800	1,692,360
<i>Add:</i>				
Movements on Reserves	322,975	326,155	365,150	300,440
<b>Total Financing Required</b>	<b>1,566,255</b>	<b>1,524,500</b>	<b>5,561,950</b>	<b>1,992,800</b>

<b>Financed by:</b>				
Precept	1,085,000	1,159,000	1,216,950	1,277,800
Unfunded/Borrowing	0	0	0	0
Grants/Third Party Contributions	65,640	0	0	0
Capital Receipts	95,000	120,500	1,688,055	0
General Fund	33,615	140,000	131,785	130,000
Earmarked Reserves	182,000	105,000	2,240,140	585,000
CIL	105,000	0	285,020	0
	<b>1,566,255</b>	<b>1,524,500</b>	<b>5,561,950</b>	<b>1,992,800</b>

## Appendix B

### Significant One-Off Revenue Expenditure/Minor Works - 2026/27

Ref		Item/location	Description of Works	Budget £
1	<b>Addition - AMP</b>	Central Services - Town Hall	Insulation	5,000
2	<b>Community Services</b>	Panorama Road	Surface repairs	20,000
3	<b>Community Services</b>	Days Park	Pathway repairs	5,000
4	<b>Addition - AMP</b>	Days Park	Football Club – Works to sports hall (potential grant)	60,000
5	<b>Tourism</b>	Beaches & Foreshore	Signage	10,000
			<b>Total</b>	<b>100,000</b>

#### Minor Works < £5k

<b>MW1</b>	<b>Tourism</b>	Tourism	Improved pedestrian Signage	2,000
<b>MW2</b>	<b>Community Services</b>	Allotments	Car park surface repairs & pipework replacement	4,000
<b>MW3</b>	<b>Community Services</b>	Depot stores	Woodworking & grounds maintenance equipment	3,000
<b>MW4</b>	<b>Community Services</b>	King Georges Management Account	Replace aged skate lite panels	4,000
<b>MW5</b>	<b>Environment</b>	Environment	Motion for the Ocean Signage	3,000
<b>MW6</b>	<b>Environment</b>	Environment	Greenspaces signage	2,500
<b>MW7</b>	<b>Addition</b>	Beach Huts	Booking System improvements	2,500
			<b>Total</b>	<b>21,000</b>

## Appendix C

### Reserves & Balances

The General Fund (GF)	Forecast 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
<i>Movements on the General Fund:</i>				
Net Operating Expenditure	762,025	832,845	851,800	977,360
Transfers to/(from) Reserves	430,940	179,670	280,720	162,880
Capital Expenditure charged to the GF	33,615	140,000	131,785	130,000
	1,226,580	1,152,515	1,264,305	1,270,240
<i>To be financed by:</i>				
Precept	1,085,000	1,159,000	1,216,950	1,277,800
Surplus / (Deficit) for Year	(141,580)	6,485	(47,355)	7,560
General Fund Balance B f'd	845,675	704,095	710,580	663,225
Surplus / (Deficit) for Year	(141,580)	6,485	(47,355)	7,560
<b>General Fund Balance C f'd</b>	<b>704,095</b>	<b>710,580</b>	<b>663,225</b>	<b>670,785</b>

Earmarked Reserves	Forecast 31/03/2026	Estimate 31/03/2027	Estimate 31/03/2028	Estimate 31/03/2029
Beach Huts Reserve	105,000	115,000	0	10,000
Environmental Projects	92,000	117,000	142,000	167,000
Community Infrastructure Levy	285,020	285,020	0	0
De Moulham Back Roads	28,950	30,950	25,950	27,950
Treasury Risk Management Reserve	214,130	214,130	0	0
Car Park Machines	9,810	14,810	19,810	24,810
Play Equipment-General Areas	51,410	61,410	71,410	21,410
Vehicle & Plant Replacement	40,000	50,000	45,000	60,000
Tennis Courts Refurbishment	22,090	29,760	37,430	45,100
Public Conveniences	160,000	175,000	15,000	30,000
IT Equipment Reserves	665	5,665	10,665	15,665
Green Seafront Scheme	1,486,010	1,3891,010	300,000	0
Community Sea Defence Project	450,000	450,000	0	0
King George's Field Management Account	61,710	76,710	94,760	112,860
Bandstand	9,890	9,890	9,890	0
Asset Management Plan Reserve	175,000	240,000	230,000	55,000
Boat Park/Fishers Huts Reserve	20,000	30,000	40,000	50,000
Grants Reserve -NEW	0	0	0	0
<b>Reserves C f'd</b>	<b>3,211,685</b>	<b>3,286,355</b>	<b>1,041,915</b>	<b>619,795</b>

#### Usable Capital Receipts Reserve

UCRR Balance B f'd	1,903,555	1,808,555	1,688,055	0
Capital expenditure	(95,000)	(120,500)	(1,688,055)	0
Capital Receipts	0	0	0	0
<b>UCRR Balance C f'd</b>	<b>1,808,555</b>	<b>1,688,055</b>	<b>0</b>	<b>0</b>

#### Total Reserves

The General Fund	704,095	710,580	663,225	670,785
Earmarked Reserves	3,211,685	3,286,355	1,041,915	619,795
Unfunded/Borrowing	0	0	0	0
Useable Capital Receipts Reserve	1,808,555	1,688,055	0	0
<b>Total of Reserves held by the Council</b>	<b>5,724,335</b>	<b>5,684,990</b>	<b>1,705,140</b>	<b>1,290,580</b>

## Appendix D

### Schedule of Proposed Capital Projects 2026/27 -2028/29

Project Ref:	Project	2025/26 Estimate	25/26 Forecast	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
		£	£	£	£	£
<b>1</b>	<b>Play Areas/Skate Park</b> King Georges Skate Park	35,000	75,000			
<b>2</b>	<b>Downs</b> Peveril Point Stabilisation Scheme	200,000	200,000			
<b>3</b>	<b>Green Seafront Scheme</b> Stabilisation & Regeneration	500,000	110,000	235,000	3,865,000	475,000
<b>4</b>	<b>Capital Grants</b> Day's Park Community Sports facility	100,500	0	120,500		
<b>5</b> a	<b>Car Parks</b> Main Beach- Phase 3 & EVCP Installation (for information only)	-	-			
b	Pay & Display Machine Replacement	5,000	5,615			
<b>6</b>	<b>Beach Gardens</b> Installation of Astroturf on Courts 4 & 5	15,000	40,640			
<b>7</b>	<b>IT-All departments</b> Desktop	22,000	22,000			
<b>8</b>	<b>Public Conveniences</b> Installation of Composter PC at Godlingston Cemetery	13,000	13,000			
<b>9</b>	<b>Capital grants</b> Greengage Community Garden	15,000	15,000			
<b>10</b>	<b>Central Services</b> Annexe heating system			10,000		
<b>11</b>	<b>Vehicles</b> Electric Van				20,000	
<b>12</b>	<b>Seafront Coastal Defence Projects</b> Seafront Coastal Defence Works				450,000	
<b>13</b>	<b>Misc Areas</b> Flagpoles				10,000	
<b>14</b>	<b>Parks &amp; Open Space</b> Seafront Shelters reprovisioning					180,000
<b>15</b>	<b>Play Areas/Skate Park</b> Days Park Play Area and Gym					60,000
	<b>Total Capital Expenditure</b>	<b>905,500</b>	<b>481,255</b>	<b>365,500</b>	<b>4,345,000</b>	<b>715,000</b>

## Appendix E

RISK	Analysis of Risk	2026/27 Budget £	Potential Impact %	Quantitative Assessment of Risk £
Small size of the authority (in comparison to principal councils) necessitates a minimum balance of 3% of gross expenditure	Balance required to withstand budgetary problems due to relatively low asset and resource base.	3,299,605	3	98,990
Employee costs are greater than budgeted	Statutory payments increase above the level allowed for in the estimates.	1,441,340	3	43,240
Contractual inflation is greater than budgeted	A general increase of c.4% has been assumed on expenditure, however, costs may increase above budgeted inflation.	1,492,765	4	59,710
Treasury management income is not achieved	That the actual interest rate that is achievable is below the rate predicted at budget setting. If yields are 1% below estimate then a 25% impact on the estimated budget could be seen.	220,000	25	55,000
Car park revenue is below forecast	That a decrease in revenue is realised from estimate. Due to the variable nature of car parking revenue the risk of actual revenue not meeting budget are high.	894,000	15	134,100
Income from property rentals and general rents is not received	With the current volatile economic climate some lessees/licensees may not be able to meet their rental payments	304,425	20	60,885
Seasonal income is lower than budgeted	That a decrease in revenue is realised from estimate.	325,950	20	65,190
Inadequate Insurance Cover	That events occur resulting in losses that are not covered by insurance. 1% of asset book value	9,694,866	1	96,950
<b>Total</b>				<b>614,065</b>

## Appendix F

### Precept

 **Dorset Council**

**Town & Parish Councils**  
**Taxbase & Precept Toolkit 2026/27**

**1) Select Town or Parish Council**

Swanage

**Taxbase Information**  
Band D Equivalents

2025/26	5,745.1	2026/27	6,016.3
Increase/(Decrease) Year on Year		271.2	
% Increase/(Decrease)		4.72%	

---

**Precept Modelling**  
Actual Precept 25/26 & Proposed Precept 26/27

**2) Enter Target Precept**

2025/26	£ 1,085,000.00	2026/27	£ 1,159,000.00
Increase/(Decrease) Year on Year		£ 74,000.00	
% Increase/(Decrease)		6.82%	

---

**Band D Equivalent Charge**  
Precept Divided By Taxbase

2025/26	£ 188.86	2026/27	£ 192.64
Increase/(Decrease) Year on Year		£ 3.79	
% Increase/(Decrease)		2.01%	

	Actual 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
Precept	1,085,000	1,159,000	1,216,950	1,277,800
% Increase/Decrease	23.47%	6.82%	5.00%	5.00%
Increase £	206,250	74,000	57,950	60,850
Tax Base	5,745.1	6,016.3	6,016.3	6,016.3
% Increase/Decrease	15.81%	4.72%	0.00%	0.00%
Band D Charge	£188.86	£192.64	£202.28	£212.39
% Increase	6.61%	2.01%	5.00%	5.00%
Actual Annual Increase	£11.71	£3.79	£9.64	£10.11

Precept on a Band "D" Property

Previous Year's Band "D" Amount      £188.86

Tax Base      **6016.3**

Total Precept	Precept on a Band D Property	% Increase on Band D	% Increase in Precept	Increase in Precept £
£	£			
£ 1,085,000	£180.34	-4.51%	0.00%	£ -
£ 1,095,000	£182.01	-3.63%	0.92%	£ 10,000
£ 1,105,000	£183.67	-2.75%	1.84%	£ 20,000
£ 1,115,000	£185.33	-1.87%	2.76%	£ 30,000
£ 1,125,000	£186.99	-0.99%	3.69%	£ 40,000
£ 1,135,000	£188.65	-0.11%	4.61%	£ 50,000
£ 1,139,250	£189.36	0.27%	5.00%	£ 54,250
£ 1,145,000	£190.32	0.77%	5.53%	£ 60,000
£ 1,155,000	£191.98	1.65%	6.45%	£ 70,000
£ 1,159,000	£192.64	2.01%	6.82%	£ 74,000
£ 1,170,000	£194.47	2.97%	7.83%	£ 85,000
£ 1,180,000	£196.13	3.85%	8.76%	£ 95,000
£ 1,190,000	£197.80	4.73%	9.68%	£ 105,000
£ 1,200,000	£199.46	5.61%	10.60%	£ 115,000
£ 1,210,000	£201.12	6.49%	11.52%	£ 125,000

**Swanage Town Council – Council Tax charge by band**

	Actual 2025/26	Estimate 2026/27		Increase per annum	Increase per week
<b>Precept</b>	£1,085,000	£1,159,000			
<b>Band</b>					
<b>A</b>	£128.43	£125.91		£2.52	£0.05
<b>B</b>	£149.83	£146.89		£2.94	£0.06
<b>C</b>	£171.24	£167.88		£3.36	£0.06
<b>D</b>	£192.64	£188.86		£3.79	£0.07
<b>E</b>	£235.45	£230.83		£4.62	£0.09
<b>F</b>	£278.26	£272.80		£5.46	£0.11
<b>G</b>	£321.07	£314.77		£6.31	£0.12
<b>H</b>	£385.29	£377.72		£7.57	£0.15

**Dorset County-Parish Precept Comparable 2025/26**

Town/Parish	Precept 2025/26	Band D 2025/26
Sturminster Newton	458,176	272.90
Sherborne	1,116,326	269.76
Gillingham	1,123,850	255.68
Blandford Forum	921,873	253.83
Wareham Town	562,880	247.55
Shaftesbury	764,403	219.67
Beaminster	303,483	214.64
Dorchester	1,822,939	214.54
Bridport	1,191,075	204.44
Weymouth	3,899,180	199.70
Swanage	1,085,000	188.86
Portland	618,624	186.46
Lytchett Minster & Upton	481,125	159.38
Corfe Mullen	619,526	152.37
Wimborne Minster	614,704	148.50
Stalbridge	160,000	139.13
Ferndown	949,225	123.75
Chickerell	235,050	101.96
West Moors	221,148	71.03
Lyme Regis	163,254	68.82
Verwood	415,940	64.81

## SWANAGE TOWN COUNCIL

### Proposed Scale of Fees & Charges - 2026/27

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26 £/p	Proposed Fees 2026/27 £/p
<b>Tourism &amp; Local Economy Committee</b>			
<b>1. BOAT PARK &amp; CAR PARKS</b>			
<b>Peveril Boat Park Per Grid (Trailer Included)</b>			
<b>Boats and trailers</b>			
<b>G Row</b>			
Summer - 1 May - 31 October	1/5/25	375.00	400.00
Weekly	1/5/25	119.00	120.00
Autumn/Winter - 1 September - 30 April	1/5/25	282.00	294.00
Winter - 1 November - 30 April	1/5/25	157.00	164.00
Annual 1st May -30 April	1/5/25	522.00	545.00
<b>C Row</b>			
Summer - 1 May - 31 October	1/5/25	614.00	660.00
Weekly	1/5/25	172.00	165.00
Autumn/Winter - 1 September - 30 April	1/5/25	449.00	467.00
Winter - 1 November - 30 April	1/5/25	245.00	255.00
Annual 1st May -30 April	1/5/25	873.00	908.00
Summer 1 May - 31 October - returning next year	1/5/25	769.00	remove
<b>A, D and F Row</b>			
Summer - 1 May - 31 October	1/5/25	695.00	740.00
Weekly	1/5/25	177.00	165.00
Autumn/Winter - 1 September - 30 April	1/5/25	517.00	538.00
Winter - 1 November - 30 April	1/5/25	285.00	297.00
Annual 1st May -30 April	1/5/25	988.00	1,028.00
Summer 1 May - 31 October - returning next year	1/5/25	884.00	remove
<b>B Row</b>			
Summer - 1 May - 31 October	1/5/25	1,004.00	1,150.00
Weekly	1/5/25	211.00	210.00
Autumn/Winter - 1 September - 30 April	1/5/25	787.00	890.00
Winter - 1 November - 30 April	1/5/25	452.00	515.00
Annual 1st May -30 April	1/5/25	1,456.00	1,650.00
Summer 1 May - 31 October - returning next year	1/5/25	1,352.00	remove
<b>Kayak Rack Charge (not inc trailer)</b>			
Summer - 1 May - 31 October	1/5/25	80.00	84.00
Weekly	1/5/25	32.00	34.00
Winter - 1 November - 30 April	1/5/25	32.00	34.00
Annual 1st May -30 April	1/5/25	114.00	118.00
<b>Daily Launch Fees (Boat and trailer storage)</b>			
Boat with trailer over 6.0m	1/5/25	35.00	35.00
Boat with trailer under 6.0m	1/5/25	27.50	27.50
Jet Skis	1/5/25	27.50	27.50
Small Dinghy (up to 12ft)	(1/4/22)	15.00	15.00
<b>Daily Launch Fees (Boat only - no trailer)</b>			
Boats	1/5/25	25.00	25.00
Jet Skis	1/5/25	25.00	25.00
Residents Permit Holders discount (replaced with discount below)	1/5/25	20.00	remove
Small Dinghy (up to 12ft)	1/5/25	12.00	12.00
Kayaks	1/5/25	6.00	6.00
<b>Slipway Launch Annual Ticket</b>	(1/5/25)	265.00	265.00
Residents Permit Holders and Emergency Services and RNLI crew with relevant ID discount on all daily launch fees except for dingy and kayaks fees	(1/4/19)	NEW	5.00
<b>Trailer Only-per day - Under 6.0m</b>	1/5/25	11.00	11.50
<b>Trailer Only-per day - Over 6.0m</b>	1/5/25	16.00	17.00
<b>Winter Pontoon Storage (1st October to 30th April) - 5m</b>	1/5/25	187.00	195.00
<b>Fisherman's Hut Tenant Discount On All Boat Park Costs</b>	1/5/25	10%	10%
<b>Boat park ad-board</b>	1/5/25	50.00	50.00

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>Broad Road &amp; Main Beach</b>			
<b>Motorhomes permitted 8am to 10 p.m only</b>			
<b>1 April to 31 October (inclusive).</b>			
<b>Car Parking Charges (Cars &amp; Other Classes of Vehicle &lt;4.8m)</b>			
Up to 1 hour	1/4/25	2.10	2.00
Up to 2 hours	1/4/25	3.80	4.00
Up to 3 hours	New	New	6.00
Up to 4 hours	1/4/25	7.10	8.00
Up to 5 hours	New	New	10.00
Up to 6 hours	1/4/25	8.00	remove
*Up to 13 hours	1/4/25	10.00	12.00
#3 day permit	1/4/25	25.00	30.00
#7 day permit	1/4/25	50.00	60.00
Overnight 9 p.m. to 8 a.m.	1/4/25	no charge	no charge
<b>1 November - 31 March (inclusive)</b>			
Up to 1 hour	1/4/24	2.00	2.00
2 to 13 hours	1/4/24	2.00	4.00
<b>1 April to 31 October (inclusive).</b>			
<b>Multiuse charges (Classes of Vehicle &gt;4.8m)</b>			
Up to 1 hour	1/4/25	2.70	3.00
Up to 2 hours	1/4/25	4.80	6.00
Up to 3 hours	New	New	9.00
Up to 4 hours	1/4/25	9.00	12.00
Up to 5 hours	New	New	15.00
Up to 6 hours	1/4/25	10.20	remove
Up to 13 hours	1/4/25	12.60	18.00
\$ 3 day permit	1/4/25	32.00	45.00
\$ 7 day permit	1/4/25	64.00	90.00
Overnight 9 p.m. to 8 a.m.	1/4/25	no charge	no charge
<b>1 November - 31 March (inclusive)</b>			
Up to 1 hour	1/4/24	2.00	3.00
2 to 13 hours	1/4/24	2.00	6.00
Overnight 9 p.m. to 8 a.m.	1/4/24	no charge	no charge
<b>King George's Field (Overflow) Car Park</b>			
<b>1 April to 31 October (inclusive).</b>			
Up to 1 hour	1/4/25	2.10	2.00
Up to 2 hours	1/4/25	3.80	4.00
Up to 3 hours	New	New	6.00
Up to 4 hours	1/4/25	7.10	8.00
Up to 5 hours	New	New	10.00
Up to 6 hours	1/4/25	8.00	remove
Up to 13 hours	1/4/25	10.00	12.00
<b>North Beach (De Moulham Road) incl. Journey's End Overflow Car Parking</b>			
<b>Motorhomes permitted 8am to 10 p.m only</b>			
<b>1st April to 31st October (inclusive).</b>			
<b>Car Parking Charges (Cars &amp; Other Classes of Vehicle &lt;4.8m)</b>			
Up to 1 hour	1/4/25	1.70	2.00
Up to 2 hours	1/4/25	2.80	4.00
Up to 3 hours	New	New	6.00
Up to 4 hours	1/4/25	4.80	8.00
Up to 5 hours	New	New	10.00
Up to 6 hours	1/4/25	5.60	remove
*Up to 13 hours	1/4/25	8.50	12.00
#3 day permit	1/4/24	25.00	30.00
#7 day permit	1/4/24	50.00	60.00
Overnight 9 p.m. to 8 a.m.			
<b>1 November - 31 March (inclusive)</b>			
Up to 1 hour	1/4/24	2.00	2.00
2 to 13 hours	1/4/24	2.00	4.00

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>1st April to 31st October (inclusive).</b>			
<b>Multiuse charges (Classes of Vehicle &gt;4.8m)</b>			
Up to 1 hour	1/4/25	2.20	3.00
Up to 2 hours	1/4/25	3.50	6.00
Up to 3 hours	New	New	9.00
Up to 4 hours	1/4/25	6.00	12.00
Up to 5 hours	New	New	15.00
Up to 6 hours	1/4/25	7.00	remove
Up to 13 hours	1/4/25	10.70	18.00
\$ 3 day permit	1/4/24	32.00	45.00
\$ 7 day permit	1/4/24	64.00	90.00
Overnight 9 p.m. to 8 a.m.	1/4/24	no charge	no charge
<b>1 November - 31 March (inclusive)</b>			
Up to 1 hour	1/4/24	2.00	3.00
2 to 13 hours	1/4/24	2.00	6.00
Overnight 9 p.m. to 8 a.m.	1/4/24	no charge	no charge
<b>Free parking in North Beach when attending NHS mobile units</b>			

\* This ticket is transferable between Main Beach and Broad Road long stay car parks only.

#The 3 day & weekly smaller vehicle permit is transferable between all long stay car parks and is available on JustPark only

\$ The 3 day & weekly larger vehicle permit is transferable between Main & North Beach car parks and is available on JustPark

<b>Mermond Place and Co operative</b> (Maximum of 2 hours between 8 a.m. & 7 p.m.)			
<b>1 April to 31 March</b>			
Cars 1 hour - Summer (1st April to 31st October)			
Cars 2 hours - Summer (1st April to 31st October)	1/4/08	1.20	1.20
Cars 1 hour - Winter (1st November to 31st March)	1/4/24	2.40	2.40
Cars 1 hour - Winter (1st November to 31st March)	1/4/11	0.60	1.20
Overnight parking 7 p.m. to 8 a.m.	1/4/11	1.20	2.40
Overnight parking 7 p.m. to 8 a.m.	1/4/07	no charge	no charge
<b>Recreation Ground (Residents)</b> (Maximum of 2 hours between 10 a.m. & 7 p.m.)			
Cars 1 hour - Summer (1st April to 31st October)	1/4/08	0.60	0.60
Cars 2 hours - Summer (1st April to 31st October)	1/4/11	1.20	1.20
Cars Hourly - Winter (1st November to 31st March)	1/4/05	no charge	no charge
Overnight parking 7 p.m. to 10 a.m.	1/4/00	no charge	no charge
<b>Residents Parking Permits (per permit-not an annual fee)</b>	1/4/23	6.00	6.00

Permit holders are entitled to park in the Residents Car Park, Horsecliff Lane subject to the restrictions and charges as set out above.

Additional entitlement to parking in Swanage Town Council Operated Car Parks is as follows:

<u><b>Summer Period</b></u>			
Mermond/Co-op Car Park -free parking between 08:00 and 10:00			
Main Beach Car Park -free parking between 08:00 and 10:00 on a Market Day			
<u><b>Winter Period</b></u>			
Broad Road and Main Beach Car Parks-free parking max. 24 hr stay			
Co-op and Mermond Car Park-free overnight parking 19:00 to 10:00			
<b>Annual Private &amp; Business (Main Beach or North Beach)</b>	1/4/25	365.00	380.00
<b>Summer Season Ticket (1 April-31 October)</b>	1/4/25	273.75	285.00
start date extended to 1st April (agreed Roads and Transport Committee 24/11/2021 minute 7) 3/4 of annual ticket	1/4/25		
	1/4/25		
<b>Residents Car Park - Annual Business Permit (STC tenants only)</b>	1/4/25	365.00	380.00
<b>Summer Season Ticket (1 April-31 October)</b>	1/4/25	273.75	285.00
Agreed Minute 51 (a) June 24th 2024			
<b>North Beach Annual Multi Use Permit</b>	1/4/25	420.00	440.00
<b>Summer Season Ticket (1 April-31 October)</b>	1/4/25	315.00	330.00
<b>Annual Taxis (per permit)</b>	1/4/25	780.00	810.00
Charges will apply throughout the year.			
<b>Excess Charge Penalty</b>	1/4/04	60.00	60.00
* Reduced for payment within 10 days.	1/4/04	30.00	30.00
<b>Peveril Point Residents Tickets</b>	1/4/07	25.00	25.00
max of 4 per household			
<b>Dorset Restricted Mobility Permit Holders</b>	New	Free up to 3 hours	Free up to 3 hours

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>2. SWANAGE INFORMATION CENTRE</b>			
Advertising Board 3ft x 4ft (Annual)	1/4/25	546.00	546.00
Advertising Board 3ft x 4ft (Summer: April - September)	1/4/25	411.00	411.00
Advertising Board 3ft x 4ft (Winter: October - March )	1/4/25	161.00	161.00
Advertising Board 3ft x 4ft (Christmas: October - December)	1/4/25	109.00	109.00
Advertising Board 3ft x 4ft (Monthly Summer)	1/4/25	78.00	78.00
Advertising Board 3ft x 4ft (Monthly Winter)	1/4/25	31.00	31.00
National Express Administration Fee (excluding Coach Card requests)	1/4/24	3.00	3.00
Commission on Gross Agency Ticket Sales (unless by contractual agreement)			
- General	1/4/16	10%	10%
- Local Charities	1/4/16	5%	5%
- Discretionary Rate For Local Charities/Community Groups		0%	0%
Parasol hire (per day)	1/4/25	5.00	5.00
Parasol hire (per week)	1/4/25	25.00	25.00
Parasol hire (max charge per beach hut period booking)	1/4/25	75.00	75.00
Additional beach hut chair (per day)	1/4/24	2.00	2.00
Additional beach hut chair (per week)	1/4/24	10.00	10.00
Additional beach hut chair (max charge per beach hut period booking)	1/4/24	30.00	30.00
Deposit - Additional beach hut key	1/4/24	30.00	30.00
Replacement beach hut key	1/4/25	55.00	
		One days hire or £20.00 whichever is the greater	One days hire or £20.00 whichever is the greater
Late Return of Key for Beach Hut	1/4/24	105.00	105.00
Faulty Electrical Equipment Charge	1/4/25	£5.00 plus postage fee	£5.00 plus postage fee
Admin charge for lost property postage returns			
Events fee (discretionary)	1/4/25	420.00	750.00
<b>3. PEVERIL POINT</b>			
Foreshore - Dinghy Storage (Angling Club)	1/4/15	tbc	tbc
Dug-Out Storage Area, Rear of Waterside (per week)	1/4/25	13.50	tbc
Rent of Hut Site (East of Lifeboat House)	1/4/15	tbc	tbc
Fishermen's Huts	1/4/25	520.00	540.00
Prince Albert Gardens - charge to be considered upon application to the Council			
<b>4. STONE QUAY &amp; MONKEY BEACH</b>			
Pleasure Boats (Private) - not exceeding 12 passengers	1/4/25	275.00	285.00
Hut on Quay	1/4/25	175.00	180.00

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>5. MARKET</b>			
<b>3 April 2025 to 22 May 2025 &amp; 4 September 2025 to 30 October 2025</b>			
Stall Size			
<2m	1/4/25	15.00	16.00
<4m	1/4/25	25.00	26.00
<7m	1/4/25	35.00	36.00
<12m	1/4/25	45.00	46.00
>12m (by agreement)	1/4/25	100.00	105.00
Additional charge if 1st week	New	New	5.00
<b>29 May 2025 to 28 August 2025</b>			
Stall Size			
<2m	1/4/25	22.00	23.00
<4m	1/4/25	32.00	33.00
<7m	1/4/25	42.00	43.00
<12m	1/4/25	52.00	53.00
>12m (by agreement)	1/4/25	130.00	135.00
Additional charge if 1st week	New	New	5.00
<b>16 November 2025 to 26 March 2026</b>			
Stall Size			
<2m	1/4/25	10.00	11.00
<4m	1/4/25	15.00	16.00
<7m	1/4/25	20.00	21.00
<12m	1/4/25	25.00	26.00
>12m (by agreement)	1/4/25	50.00	55.00
Additional charge if 1st week	New	New	5.00
<b>3 April 2026 to 26 March 2027</b>			
Stall Size			
<2m	1/4/25	568.50	602.25
<4m	1/4/25	872.25	906.00
<7m	1/4/25	1,176.00	1,209.75
<12m	1/4/25	1,479.75	1,513.50
>12m (by agreement)	1/4/25	3,352.50	3,516.00
Electricity per day	1/4/24	6.30	6.30
25% discount for BH19 traders			
Introductory discount - 25% first 3 continuous weeks			
Only one discount per trader			

			Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>6. BEACH BUNGALOWS</b>					
	<b>SCALE OF FEES: SHORE ROAD - 2026/27 SEASON</b>				
	Agreed: Minute 64, Monthly Council Meeting held 20 October 2025				
	Sat 28 March - Fri 24 April				
	Lower Level Huts				
		Daily	(29/3/25)	12.00	12.50
		Weekly	(29/3/25)	50.00	52.00
	Upper Level Huts				
		Daily	(29/3/25)	8.40	8.50
		Weekly	(29/3/25)	35.00	36.50
	Sat 25 April - Fri 10 July				
	Lower Level Huts				
		Daily	29/3/25	25.00	26.00
		Weekly	29/3/25	125.00	130.00
	Upper Level Huts				
		Daily	29/3/25	17.50	18.00
		Weekly	29/3/25	87.50	91.00
	Sat 11 July - Fri 28 August				
	Lower Level Huts				
		Daily	29/3/25	40.00	42.00
		Weekly	29/3/25	260.00	271.00
	Upper Level Huts				
		Daily	29/3/25	28.00	30.00
		Weekly	29/3/25	182.00	190.00
	Sat 29 August - Fri 25 September				
	Lower Level Huts				
		Daily	29/3/25	25.00	26.00
		Weekly	29/3/25	125.00	130.00
	Upper Level Huts				
		Daily	29/3/25	17.50	18.00
		Weekly	29/3/25	87.50	91.00
	Sat 26 September - Fri 30 October				
	Lower Level Huts				
		Daily	29/3/25	12.00	12.50
		Weekly	29/3/25	50.00	52.00
	Upper Level Huts				
		Daily	29/3/25	8.40	8.00
		Weekly	29/3/25	35.00	36.50
	Sat 31 October - Fri 26 March				
	Lower Level Huts				
		Daily	29/3/25	10.00	10.50
		Weekly	29/3/25	35.00	36.50
	Upper Level Huts				
		Daily	29/3/25	7.00	8.00
		Weekly	29/3/25	24.50	25.50
	<b>Winter whole period charges</b>				
	Sat 31 October - Fri 26 March	- Lower Level		29/3/25	551.00
		- Upper Level		29/3/25	389.00
					575.00
					402.00
	<b>Whole period charges</b>				
	Sat 28 March - Fri 26 March	- Lower Level		29/3/25	3660.00
		- Upper Level		29/3/25	2562.00
					4065.00
					2850.00
	<b>Premium Huts</b>				
	Sat 28 March - Fri 24 April				
	Lower Level Huts				
		Daily	(29/3/25)	20.00	21.00
		Weekly	(29/3/25)	80.00	83.00
	Upper Level Huts				
		Daily	(29/3/25)	14.00	14.50
		Weekly	(29/3/25)	56.00	58.00
	Sat 25 April - Fri 10 July				
	Lower Level Huts				
		Daily	29/3/25	35.00	36.50
		Weekly	29/3/25	190.00	198.00
	Upper Level Huts				
		Daily	29/3/25	24.50	25.50
		Weekly	29/3/25	133.00	138.50
	Sat 11 July - Fri 28 August				
	Lower Level Huts				
		Daily	29/3/25	57.00	60.00
		Weekly	29/3/25	380.00	396.00
	Upper Level Huts				
		Daily	29/3/25	39.90	41.50
		Weekly	29/3/25	266.00	277.00

			Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
Sat 29 August - Fri 25 September	Lower Level Huts		Daily 29/3/25 Weekly 29/3/25	35.00 190.00	36.50 198.00
Upper Level Huts			Daily 29/3/25 Weekly 29/3/25	24.50 133.00	25.50 138.50
Sat 26 September - Fri 30 October	Lower Level Huts		Daily 29/3/25 Weekly 29/3/25	20.00 80.00	21.00 83.00
Upper Level Huts			Daily 29/3/25 Weekly 29/3/25	14.00 56.00	14.50 58.00
Sat 31 October - Fri 26 March	Lower Level Huts		Daily 29/3/25 Weekly 29/3/25	12.00 50.00	12.50 52.00
Upper Level Huts			Daily (29/3/25) Weekly (29/3/25)	8.40 35.00	9.00 36.50
<b>Winter whole period charges</b>					
Sat 31 October - Fri 26 March	- Lower Level		29/3/25	788.00	820.00
	- Upper Level		29/3/25	551.00	575.00
<b>Whole period charges</b>					
Sat 28 March - Fri 26 March	- Lower Level		29/3/25	5,460.00	6,065.00
	- Upper Level		29/3/25	3,822.00	4,245.00
<b>Artisans on the Beach - 22 November - 14 December</b>					
Lower Level - Full Period			29/3/25	130.00	136.00
Upper Level - Full Period			29/3/25	65.00	68.00
Weekend Period			29/3/25	20.00	21.00
Premium Lower Level - Full Period			29/3/25	280.00	292.00
Premium Upper Level - Full Period			29/3/25	148.00	154.00
<b>SCALE OF FEES: SPA BUNGALOWS - 2026/27 SEASON</b>					
Sat 28 March - Fri 24 April			Daily 29/3/25 Weekly (29/3/25)	10.00 30.00	10.50 31.50
Sat 25 April - Fri 10 July			Daily 29/3/25 Weekly 29/3/25	15.00 58.00	16.00 61.00
Sat 11 July - Fri 28 August			Daily 29/3/25 Weekly 29/3/25	25.00 145.00	26.00 151.00
Sat 29 August - Fri 25 September			Daily 29/3/25 Weekly 29/3/25	15.00 58.00	16.00 61.00
Sat 26 September - Fri 30 October			Daily 29/3/25 Weekly 29/3/25	10.00 30.00	10.50 31.50
Spa Bungalows whole period (28/03/2026- 30/10/2026)			29/3/25	1,616.00	1,805.00

		Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b><u>SCALE OF FEES: SPA RETREATS - 2025/26 SEASON</u></b>				
Sat 28 March - Fri 24 April		Daily (29/3/25) Weekly (29/3/25)	15.00 70.00	15.50 72.00
Sat 25 April - Fri 10 July		Daily 29/3/25 Weekly (29/3/25)	25.00 138.00	26.00 143.50
Sat 11 July - Fri 28 August		Daily 29/3/25 Weekly (29/3/25)	40.00 264.00	42.00 275.00
Sat 29 August - Fri 25 September		Daily 29/3/25 Weekly (29/3/25)	25.00 138.00	26.00 144.00
Sat 26 September - Fri 30 October		Daily 29/3/25 Weekly (29/3/25)	15.00 58.00	15.50 60.00
Sat 31 October - Fri 26 March		Daily 29/3/25 Weekly (29/3/25)	12.00 30.00	12.50 31.00
Spa Retreats whole period (28/03/2026- 30/10/2026)		29/3/25	3,411.00	3,500.00
Spa Retreats whole period (28/03/2026- 26/03/2027)		29/3/25	4,356.00	3,990.00
STC staff use of a beach hut for one week outside peak period		30/3/19	0.00	0.00
Cancellation or change of booking charge		1/4/24	£30 or 20%, whichever is the greater	£30 or 20%, whichever is the greater up to a maximum of £150
<b>Private Sites</b>		1/4/25		
<b>Authority has been delegated to the Visitor Services Manager to discount prices when</b>				

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>Community Services Committee</b>			
<b>1. BEACH GARDENS - Charges to start on 28th March 2026</b>			
<b>Tennis</b>			
Singles/Doubles Hourly (hourly per court)	1/4/24	11.00	11.00
With Club Member	1/4/25	6.80	7.00
Schools (per court)	1/4/25	6.00	6.00
Children (under 16 years)	1/4/25	4.40	5.00
Racket Hire	1/4/25	2.70	3.00
Tennis Ball Hire	1/4/18	1.00	1.00
Deposit for keys (Returnable) - Winter period only	1/4/24	10.00	10.00
Court Fees - Coaching			
-Adults (Non-members)	1/4/25	5.20	5.20
-Children (Non-members Under 16)	1/7/17	0.00	0.00
<b>Putting</b>			
Per Round - Adults	1/4/25	5.00	5.00
Per Round - Children (under 16)	1/4/25	2.70	3.00
Family (2 Adults + 2 Children)	1/4/25	12.50	13.00
Under 5s	1/4/18	0.00	0.00
Adult x 1 Season Ticket	1/4/25	52.00	70.00
Adult x 2 Season Ticket	1/4/25	94.00	126.00
Family Season Ticket	1/4/25	115.00	154.00
Child Season Ticket		NEW	40.00
Weekly 7 day Ticket - 2 Adults		NEW	50.00
<b>Table Tennis bat and ball hire</b>	1/4/18	1.50	2.00
<b>Basketball Hire</b>	1/4/14	3.00	3.00
<b>Pavilion</b>			
(Charges include heating and lighting)			
Per Session (1 section)	1/4/25	37.00	40.00
Morning, Afternoon or Evening (2 sections)	1/4/25	47.00	50.00
<b>2. ALLOTMENTS</b>			
Prospect (per rod)	1/10/24	8.00	8.30
<b>3. TOWN HALL LETTINGS</b>			
<b>Council Chamber</b>			
Public Meetings and Lectures (per session)	1/4/17	45.00	45.00
Property Auctions	1/4/25	200.00	200.00
Civil Marriage/Partnership Ceremonies	1/4/25	165.00	170.00
<b>Committee Room</b>	1/4/18	30.00	30.00
* Community Groups (providing a service to Swanage residents) & Public Sector Organisations (agreed Minute 6) General Operations Committee 19th November 2014)		0.00	0.00
<b>4. KING GEORGE V FIELD</b>			
Football Pitch & Changing Facilities (Youth Teams)	1/4/02 (1/4/21)	25.00 0.00	25.00 0.00
<b>5. FORRES SPORTS FIELD</b>			
Football Pitch & Changing Facilities (Youth Teams)	1/4/02 (1/4/21)	25.00 0.00	25.00 0.00
<b>6. JOURNEY'S END</b>			
Football Pitches	1/4/01	12.00	12.00
Youth Teams	(1/4/21)	0.00	0.00
<b>7. SPORTS LICENCES &amp; EVENTS</b>			
Sports Licence	1/4/25	38.00	40.00

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>8. GODLINGSTON CEMETERY</b>			
<b>Garden of Rest</b>			
Cremation Plot for burial of cremated remains in casket or urn.			
(i) Exclusive Rights - for grant of right of burial for a period of one hundred years (each space in this section)	1/4/25	375.00	390.00
(ii) Interment Fees - for burial of casket or urn in plot 2' x 2':			
(a) first interment	1/4/25	205.00	215.00
(b) for each additional interment (to 4 interments)	1/4/25	205.00	215.00
(c) for additional multiple interments (2nd, 3rd or 4th interment)	1/4/25	65.00	70.00
Fee for multiple interments of cremated remains: one third of the full first interment fee if interment is made at the same time - as recommended by the General Operations Committee 01/04/15 - Agreed by Full Council Minute 177. 20/04/15			
(d) for interments on Saturdays, Sundays and Public Holidays	1/4/25	215.00	225.00
(iii) Memorials	1/4/25	220.00	230.00
(iv) Fee for persons not resident in the parish.		As above x 2	As above x 2
(v) Transfer of Rights	1/4/25	65.00	70.00
<b>Earthen Graves</b>			
(i) Exclusive Rights - for the grant of right of burial for a period of one hundred years each space in:			
Section A	1/4/25	600.00	625.00
Section B	1/4/25	480.00	500.00
Children's Section	(1/4/18)	10.00	10.00
(ii) Interment Fees - for body of			
(a) a child, in the Children's section, in a grave not exceeding in depth: 7 feet (2 interment)	(1/4/18)	No Charge	No Charge
<b>to be effective from 1st January 2018</b>			
(b) a person in a grave not exceeding in depth: 7 feet (2 interments)	1/4/25	420.00	440.00
Casket-type coffin	1/4/25	600.00	625.00
(c) for interments on Saturdays Sundays and Public Holidays	1/4/25	460.00	480.00
(d) scattering of ashes beneath turf	1/4/25	115.00	120.00
(e) scattering of ashes on existing grave/ garden of remembrance	1/4/25	45.00	50.00
<b>Note</b>			
Where the bodies of a still-born and/or other person are buried in the same grave at the same time the fees shall be related to the first interment.			
(iii) Fee for persons not resident in the parish.		As above x 2	As above x 2
(iv) Transfer of Rights	1/4/25	65.00	70.00
<b>Brick Graves or Vaults</b>			
(i) Right to construct (including grant of right of burial therein for a period of one hundred years) on each space:			
Section A	1/4/15	Upon application	Upon application
Section B	1/4/15	Upon application	Upon application
(ii) First Interment	1/4/25	2050.00	2100.00
(iii) Re-opening	1/4/25	2050.00	2100.00
(iv) For interment Saturdays Sundays and Public Holidays	1/4/25	1000.00	1040.00
(v) Fee for persons not resident in the parish.		As above x 2	As above x 2

	Date of Last Increase/ (Decrease)	Agreed Fees 2025/26	Proposed Fees 2026/27
<b>Monuments, Gravestones &amp; Inscriptions</b>			
(i) Headstone, Cross or other Memorial when erected not exceeding 3ft, in height	1/4/25	220.00	230.00
(ii) Monument not exceeding 6' in height covering the whole grave space 7' x 3' when erected	1/4/25	650.00	675.00
(iii) Footstone not exceeding 2'6" x 2'6" x 6"	1/4/25	220.00	230.00
(iv) Kerb set	1/4/25	220.00	230.00
(v) Kerb set with infill	NEW	420.00	440.00
(vi) Flatstone not exceeding 7' x 3'x 6"	1/4/25	340.00	355.00
(vii) Vase not exceeding 12" in height	1/4/25	55.00	60.00
(viii) Any other memorial not referred to above	1/4/08	By Agreement	By Agreement
(ix) Each additional inscription after the first in respect of each person	1/4/25	50.00	55.00
(x) Fee for persons not resident in the parish.		As above x 2	As above x 2
<b>GODLINGSTON MEADOWLAND BURIAL</b>			
(i) Exclusive Rights - for the grant of right of burial for a period of one hundred years	1/4/25	480.00	500.00
(ii) Interment Fees - for body of			
(a) a person in a grave not exceeding in depth: 7 feet (2 interments)	1/4/25	440.00	460.00
Casket-type coffin	1/4/25	620.00	645.00
(b) for interments on Saturdays Sundays and Public Holidays	1/4/25	460.00	480.00
(iii) Interment Fees - for burial of casket or urn			
(a) first interment	1/4/25	220.00	235.00
(b) for interments on Saturdays, Sundays and Public Holidays	1/4/25	210.00	215.00
(c) scattering of ashes beneath turf of existing grave	1/4/25	115.00	120.00
(d) scattering of ashes on existing grave/ garden of remembrance	1/4/25	45.00	50.00
(iv) Fee for persons not resident in the parish.		As above x 2	As above x 2
(v) Transfer of Rights	1/4/25	65.00	70.00
<b>Memorial Tree Plaque</b>	1/4/25	210.00	220.00
<b>Cemetery services will not be available for the period 24th December to the third working day after the New Year's Day public holiday</b>			
<b>Hire of Cemetery Chapel - Godlingston interment</b>		No Charge	No Charge
<b>Hire of Cemetery Chapel - External interment</b>	1/4/25	160.00	165.00
<b>9. Memorial Benches</b>			
<b>Memorial Bench Plaque - Fitting Only</b>	1/4/25	20.00	25.00

## Swanage Town Council



## RESERVES POLICY

### Contents

1. Introduction
2. General Reserve
3. Policy
4. Financial Risk Management
5. Earmarked Reserves
6. Statutory Reserves
7. Review of Adequacy of Reserves

Page left intentionally blank

## **1. Introduction**

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. Section 49A of the Local Government Finance Act 1992, as amended, requires that local precepting authorities in England have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. Consideration should also be given to the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners' Guide.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered during the annual review of the Council's Medium Term Financial Strategy (MTFS) and preparation of the annual budget.

The Council will hold reserves for these three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

An authority has no legal powers to hold reserves other than those for reasonable working capital needs, or for specifically earmarked purposes. The general reserve should not be significantly higher than the annual precept.

## **2. General Reserves – The General Fund Balance**

The General Fund Balance, commonly termed the “working balance”, is a balance on the Council's revenue account which is not held for any specific purpose other than to cushion the Council's finances against any unexpected short-term problems in the council's cash flow.

## **3. Policy:** SAPPP recommends that a General Reserve between three and twelve months of Net Revenue Expenditure is maintained, with larger authorities holding nearer to three months. However, an authority should adopt a General Reserve Policy to set a level appropriate to their size, situation and risks. They should plan their budget so as to ensure that the adopted level is maintained. Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly. For this authority, a General Reserve is to be maintained at a level based upon a risk assessment carried out annually by the Responsible Financial Officer when setting the budget for the forthcoming year. Any surplus on the general reserve above the required balance may be used to fund capital

expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept requirement.

#### **4. Financial Risk Management**

In order to assess the adequacy of the general fund when setting the annual budget, the Responsible Financial Officer will take account of the strategic, operational and financial risks facing the Council. The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the Council's main areas of income and expenditure and take into account any provisions and contingencies that may be required. This financial risk assessment will be based upon the main financial risks identified in the Council's Corporate Risk Register

The main items to be considered are:

<b>Financial Risk</b>	<b>Analysis of Risk</b>
Pay inflation is greater than budgeted	The cost of living increase is above the level allowed for in the estimates.
Contractual inflation is greater than budgeted	A general assumption is made when estimating the percentage increase on rates & utilities. This may increase above budgeted inflation. Professional and other services costs increase above estimate.
Treasury management income is not achieved	The actual interest rate realised is below the rate predicted at budget setting.
Car park revenue is below forecast	That a decrease in revenue is realised from estimate.
Seasonal and rental income is lower than budgeted/shortfall in income from fees and charges	That a decrease in revenue is realised from estimate.
Insurance Cover	That events occur resulting in losses that are not covered by insurance.

#### **5. Earmarked Reserves**

Earmarked reserves represent amounts that are generally built up over a period of time which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects, and will naturally decrease as they are spent on their intended purpose. The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. The Council, when establishing an earmarked reserve, will set out:

- the reason/purpose of the reserve;
- how and when the reserve can be used;
- procedures for the management and control of the reserve;

- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

The following earmarked reserves will be held by the Council:

<b>Reserve</b>	<b>Use</b>	<b>Policy for Use</b>
Beach Huts Reserve	To build up funds to meet future capital expenditure	To fund future capital projects as agreed by full council
Environmental Projects	To build up funds to meet future capital expenditure	To fund future capital projects as agreed by full council.
Community Infrastructure Levy	To hold funds for the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area	This money must be spent in accordance with Regulation 59 C, within 5 years of receipt from the Unitary Authority. This reserve should be utilised in the first instance for works to 'infrastructure' as defined in Section 216 of the Planning Act 2008
De Moulham Back Roads	To fund the repair and maintenance of the De Moulham Estate Back Roads	That the surplus/(deficit) on the revenue account be appropriated to/(from) the reserve
Treasury Risk Management Reserve	To build up funds to offset any potential loss upon the redemption of strategic investments	To transfer funds to the general fund upon crystallisation of losses from strategic investments
Car Park Machines	To build up funds to replace car park ticket machines	That the purchase of equipment, as agreed by Council, be met from this reserve
Play Equipment-General Areas	To build up funds to replace play equipment	That the purchase of equipment, as agreed by Council, be met from this reserve
Vehicle & Plant Replacement	To build up funds to replace vehicles and plant	That the purchase of vehicles and plant, as agreed by Council, be met from this reserve
Tennis Courts Refurbishment	To build up funds to resurface the tennis courts	That an agreed contribution be made by the Council with an equal contribution to be met by the Tennis Club
Public Conveniences Fund	To build up funds to meet future capital expenditure	To fund future capital projects as agreed by full council
IT Equipment	To hold funds to meet future expenditure for IT equipment replacement	That the purchase of equipment, as agreed by Council, be met from this reserve
Green Seafront Enhancement Reserve	To build up funds to meet the costs of improvements to the	That expenditure to be met from the reserve is agreed by full council

	Spa, Weather Station Field and Sandpit Field	
Community Sea Defence Project Reserve	To hold the funds provided by Wessex Water following an Enforcement Undertaking	To help fund public realm improvements in connection with a sea defence project
King George's Field Management Account Reserve	To hold any surplus on the management account	To fund future capital/revenue expenditure as agreed by Council, under a management agreement
Bandstand Reserve	To hold funds donated by the friends of Swanage Bandstand	To fund expenditure on the maintenance of the bandstand, as agreed by Council
Asset Management Plan Reserve	To earmark funds to meet future expenditure relating to the Asset Management Plan	To fund future major projects on the Asset Management Plan as agreed by full council
Boat Park/Fishers Huts Reserve	To earmark funds to meet future expenditure relating to the Boat Park & Fishers Huts	That any expenditure to be met from the reserve is agreed by Council
Grants Reserve	To hold any surplus realised at year end on the grants/donations budget	To fund requests for large grants from local charities/organisations

## 6. Statutory Reserves

Local Authorities also hold reserves that arise out of the interaction of legislation and proper accounting practices. At Swanage Town Council this is:

- Capital Receipts Reserve - this reserve holds the proceeds from the sale of assets, and can only be used for capital purposes in accordance with regulations.

## 7. Review of the Adequacy of Balances and Reserves

As the Council's level of reserves are related to its precept requirement it is important that these reserves are not excessive. In assessing the adequacy of reserves the strategic, operational and financial risks facing the authority will be taken into account. The level of general and earmarked reserves will be reviewed as part of the annual budget preparation.

## Appendix A

### Draft Estimates - Earmarked Reserves 2026/27-2028/29

Earmarked Reserves	Forecast 31/03/2026	Estimate 31/03/2027	Estimate 31/03/2028	Estimate 31/03/2029
Beach Huts Reserve	105,000	115,000	0	10,000
Environmental Projects	92,000	117,000	142,000	167,000
Community Infrastructure Levy	285,020	285,020	0	0
De Moulham Back Roads	28,950	30,950	25,950	27,950
Treasury Risk Management Reserve	214,130	214,130	0	0
Car Park Machines	9,810	14,810	19,810	24,810
Play Equipment-General Areas	51,410	61,410	71,410	21,410
Vehicle & Plant Replacement	40,000	50,000	45,000	60,000
Tennis Courts Refurbishment	22,090	29,760	37,430	45,100
Public Conveniences	160,000	175,000	15,000	30,000
IT Equipment Reserves	665	5,665	10,665	15,665
Green Seafront Enhancement Scheme	1,486,010	1,381,010	300,000	0
Community Sea Defence Project	450,000	450,000	0	0
King George's Field Management Account	61,710	76,710	94,760	112,860
Bandstand	9,890	9,890	9,890	0
Asset Management Plan Reserve	175,000	240,000	230,000	55,000
Boat Park/Fishers Huts Reserve	20,000	30,000	40,000	50,000
Grants Reserve	0	0	0	0
<b>Reserves C f'd</b>	<b>3,211,685</b>	<b>3,286,355</b>	<b>1,041,915</b>	<b>619,795</b>

Usable Capital Receipts Reserve	Forecast 31/03/2026	Estimate 31/03/2027	Estimate 31/03/2028	Estimate 31/03/2029
UCRR Balance B f'd	1,903,555	1,808,555	1,688,055	0
Capital expenditure	(95,000)	(120,500)	(1,688,055)	0
Capital Receipts	0	0	0	0
<b>UCRR Balance C f'd</b>	<b>1,808,555</b>	<b>1,688,055</b>	<b>0</b>	<b>0</b>

### Draft Estimates – Total Reserves 2026/27-2028/29

Total Reserves	Forecast 31/03/2026	Estimate 31/03/2027	Estimate 31/03/2028	Estimate 31/03/2029
The General Fund	704,095	710,580	663,225	670,785
Earmarked Reserves	3,211,685	3,286,355	1,041,915	619,795
Unfunded/Borrowing	0	0	0	0
Useable Capital Receipts Reserve	1,808,555	1,688,055	0	0
<b>Total of Reserves held by the Council</b>	<b>5,724,335</b>	<b>5,684,990</b>	<b>1,705,140</b>	<b>1,290,580</b>

## Swanage Town Council



### Draft Treasury Management and Investment Strategy Statement

2026/27

#### Contents:

- 1. General Overview**
- 2. Capital Expenditure and Financing**
- 3. Treasury Management and Investment Strategy 2026/27**
  - a) Treasury Management Investments**
    - i) External Context**
    - ii) Local Context**
    - iii) Borrowing Strategy**
    - iv) Investment Strategy**
    - v) Treasury Management Indicators**
    - vi) Financial Implications**
  - b) Non-treasury investments**
    - i) Service Investments: Loans**
    - ii) Service Investments: Shares**
    - iii) Commercial Investments: Property**
- 4. Related Matters**
- 5. Capacity, Skills and Culture**

#### Appendices

- A. Economic and Interest Rate Forecast**
- B. Existing Investment Portfolio**

Page left intentionally blank

## **1. General Overview**

This strategy has been prepared in accordance with the Statutory Guidance on Local Government Investments 3<sup>rd</sup> Edition hereafter known as ‘the Guidance’, which has been issued under section 15(1)(a) of the Local Government Act 2003. Under that section of the act local authorities are required to “have regard” to “such guidance as the Secretary of State may issue”.

The Guidance, which is applicable to all local authorities in England, states:

This guidance applies to parish councils.....providing their total investments exceeds, or are expected to exceed, £100,000 at any time during the financial year. Where a parish council....expects its total investments to be between £10,000 and £100,000, it is encouraged to adopt the principles in this guidance.

## **2. Capital Expenditure and Financing**

Capital expenditure underpins the Authority’s treasury management and investment strategy.

Decisions made to approve capital expenditure will have major consequences for the Council’s investment capacity and implications for future financial sustainability. Capital expenditure, capital financing and treasury management activity contributes to the Council’s provision of services.

Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

All capital expenditure must be financed either from the Authority’s own resources (revenue, reserves and capital receipts), external sources (grants and other contributions) or debt (borrowing).

In 2026/27, the Authority is planning capital expenditure of £365,500 as summarised below:

***Table 1: Estimates of Capital Expenditure in £, Swanage Town Council Budget Book 2026/27***

	2024/25 actual	2025/26 forecast	2026/27 budget	2027/28 estimate	2028/29 estimate
Capital Receipts	225,181	95,000	120,500	1,688,055	0
Earmarked Reserves	39,437	182,000	105,000	2,240,140	585,000
Community Infrastructure Levy	15,529	105,000	0	285,020	0
Grants/Contributions	85,476	65,640	0	0	0
External sources	0	0	0	0	0
General Fund	0	33,615	140,000	131,785	130,000
<b>TOTAL</b>	<b>365,623</b>	<b>481,255</b>	<b>365,500</b>	<b>4,345,000</b>	<b>715,000</b>

For 2026/27 the capital programme is expected to be financed from the Authority's own resources. In 2028/29 it is anticipated that a borrowing requirement may materialise given the provisional costings of the Green Seafront Scheme (GSS). However, the financing requirement for this scheme is subject to change pending a further detailed business plan and the potential for capital receipts being realised.

Debt is only a temporary source of finance, since loans must be repaid, being financed from revenue. Alternatively, proceeds from selling capital assets (known as capital receipts) and any realised gain from the redemption of strategic investments may be used to replace debt financing.

### **Treasury Management and Investment Strategy 2026/27**

An Authority may invest its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as ***treasury management investments***),
- to support local public services by lending to or buying shares in other organisations (***service investments***), and
- to earn investment income (known as ***commercial investments*** where this is the main purpose).

Investments made by local authorities can be classified into one of two main categories:

- Investments held for treasury management purposes; and
- Other, non-treasury, investments.

As such it has been deemed appropriate to separate this strategy into two sections; the treasury management strategy recommended by CIPFA and the non-treasury investment strategy required by the Ministry of Housing, Communities and Local Government (MHCLG).

#### **a) Treasury Management Investments**

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority typically receives its income in cash (e.g. from taxes and services) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.

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 financial risk are therefore central to the Authority's prudent financial management. The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Treasury risk management at the Authority is conducted with 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 and Cross-*

*Sectoral Guidance Notes 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's obligation to have regard to the CIPFA Code and any other appropriate guidance.

In accordance with MHCLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large, unexpected change in interest rates, or in the Authority's capital programme or in the level of its investment balance.

**i) External Context**

**Economic background:** The most significant impacts on the Authority's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.

The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.

Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.

The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.

The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely

in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.

The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.

**Credit outlook:** Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly in October, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.

While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the authority's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

**Interest rate forecast (December 2025):** Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate through 2025 and 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications.

Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

A more detailed economic and interest rate forecast provided by Arlingclose is in **Appendix A**.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at a yield of 3.25%-3.5%.

## ii) Local Context

On 30<sup>th</sup> September 2025, the Authority held investments with a book value of £7.02m (current value of £7.19m). This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in Table 2 below.

**Table 2: Investment Capacity Reserves - Summary and Forecast**

	Actual 31-Mar-25 £m	Forecast 31-Mar-26 £m	Estimated 31-Mar-27 £m	Estimated 31-Mar-28 £m	Estimated 31-Mar-29 £m
General Reserves	0.84	0.84	0.85	0.80	0.67
Earmarked reserves	3.06	3.07	3.15	0.90	0.62
Unfunded/Borrowing	0.00	0.00	0.00	0.00	0.00
Capital Receipts	1.90	1.81	1.68	0.00	0.00
<b>Treasury Investments</b>	<b>5.80</b>	<b>5.72</b>	<b>5.68</b>	<b>1.70</b>	<b>1.29</b>

**iii) Borrowing Strategy**

Local Council borrowing is governed by Schedule 1 to the Local Government Act 2003. Parish & town councils in England have to apply and receive approval from the Secretary of State before taking up any borrowing. Certain temporary borrowings do not require borrowing approval. The amount that an individual town council will be authorised to borrow will normally be limited to a maximum of £500,000 in any single financial year. However, MHCLG/DAPTC have indicated that this amount could be higher based upon a robust business plan being approved. Borrowing may only be entered into for a purpose that would be capital expenditure as defined in section 16 of the Local Government Act 2003 and the decision to borrow must be made by full council.

The Authority is currently debt free, but its capital expenditure plans imply a borrowing requirement in 2028/29. Short-term interest rates have fallen over the past year, and are expected to fall a little further, and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. Any potential future capital financing options will be assessed so as to minimise the costs to revenue. The current working assumption is that any borrowing requirement will be short term and met from capital receipts.

Consideration may also be given to other sources of debt finance, which although they are not classed as borrowing, but may be classed as other debt liabilities. These are:

- leasing
- hire purchase

Any potential future capital financing options will be assessed so as to minimise the costs to revenue.

The Responsible Financial Officer may from time to time authorise the use of a temporary bank overdraft facility to facilitate cash flow throughout the financial year.

**iv) Investment Strategy**

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £6.0m and £7.0m (book value) and £6.1m and £7.2m (current value). The funds that the Council holds for investment purposes are expected to decrease in the forthcoming year due to the financing of the Council's capital programme.

**Objectives & Risk Management:** The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest 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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

**Strategy:** Treasury investments include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services. The existing portfolio of strategic pooled funds will be reviewed periodically, at least on a quarterly basis, with a view to liquidating a proportion of strategic investments in order to ensure funds are available to finance the capital programme and to maintain a diversified portfolio.

**ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

**Approved Counterparties:** The Authority may invest its surplus funds with any of the counterparty types in Table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

**Table 3: Treasury investment counterparties and limits**

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£1m	Unlimited
Secured investments *	25 years	£1m	Unlimited
Banks (unsecured) *	13 months	£1m	£2m
Building societies (unsecured) *	13 months	£0.5m	£1m
Money market funds *	n/a	£0.75m	£2m
Strategic pooled funds	n/a	£4m	£6m

**Minimum Credit Rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**UK Government:** Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Local authorities and other government entities:** Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. The Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. 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 investment objectives will be monitored regularly.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

**Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

**Reputational aspects:** The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022 this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment Limits:** In order to minimise the amount of reserves that would be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £4million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits are also placed on fund managers and foreign countries. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Table 4: Investment Limits**

	<b>Cash limit</b>
Any group of organisations under the same ownership	£4m per group
Any group of pooled funds under the same management	£4m per manager
Foreign Countries	£1m per country

**Liquidity management:** The Authority will invest prudently in the short term to ensure the liquidity of funds, to minimise the risk of the Authority not being able to meet its financial commitments.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

**v) Treasury Management Prudential Indicators**

The Authority will measure and manage 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.

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit rating	A

**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.

<b>Liquidity risk indicator</b>	<b>Target</b>
Total cash available within 3 months	£0.75m

**vi) Financial Implications**

The budget for investment income in 2026/27 is £220,000, with new investments expected to yield an interest rate of 3.25%-3.5%. If actual levels of investments, or actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, then the revenue excess will be transferred to a treasury risk management reserve to cover the risk of capital losses in future years.

**b) Non-treasury Investments**

The Guidance focuses on non-treasury investments including:

- loans made for service purposes

- shares in companies bought for service purposes
- loans to and shares in subsidiaries, irrespective of the purpose of the company
- non-financial assets (e.g. property) held primarily or partially to generate a profit

#### i) Service Investments: Loans

**Contribution:** Supplemental to Section 12 of the Local Government Act 2003 or Section 24 of the Local Government Act 1988, under the General Power of Competence, Section 1 of the Localism Act 2011, the authority may choose to make loans to local enterprises, local charities or community organisations, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though these loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

The Council does not currently lend money directly to any local businesses, local charities or community organisations, or housing associations. However, this has not been precluded from any potential future transactions.

**Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due.

**Risk assessment:** Should the Council be approached to make a loan to support local public services and as part of a wider strategy to stimulate local economic growth it may consider applications. The Authority will assess the risk of loss before entering into any service loan, while having regard to the Guidance and must be able to demonstrate that:

- Total financial exposure to these type of loans are proportionate;
- They must use an allowed “expected credit loss” model for loans as set out in the “International Financial Reporting Standard (IFRS) 9 Financial Instruments” as adopted by proper practices to measure the credit risk of the loan portfolio;
- There are appropriate credit control arrangements to recover overdue repayments in place and;
- The Authority must formally agree the total level of loans by type that it is willing to make and that the total loan book is within self-assessed limits.

#### ii) Service Investments: Shares

**Contribution:** The Council does not currently invest in the shares of any local businesses.

**Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered.

**Risk assessment:** Any application received to invest in shares from another party will be assessed on its own merits and must be able to demonstrate a benefit to local public services and stimulate local economic growth. Although the investment in shares has not been precluded, it is unlikely that the Council would approve this type of investment due to the high level of risk that this category of investment carries.

**Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

**iii) Commercial Investments: Property**

**Contribution:** The Council does not currently invest directly in commercial property with the intention of making a profit that will be spent on local public services.

**Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

**Risk assessment:** The Authority will assess the risk of loss before entering into and whilst holding property investments, should this type of investment be considered at a future date.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. As such the Council will only enter into the purchase of property through pooled funds, a treasury management investment, unless the Council is able to demonstrate that the purchase of commercial property would be a benefit to local public services and/or stimulate local economic growth.

**4. Related Matters**

**Policy on Use of Financial Derivatives:** In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

**Borrowing in Advance of Need:** The Council recognises that the borrowing of money purely to invest is ultra vires and the Council will not engage in this activity.

**Markets in Financial Instruments Directive:** The Authority has retained retail client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a smaller range of services but with the greater regulatory protections afforded to individuals and small companies. Presently, given the size and range of the Authority's treasury management activities, this is the only status that the Authority can adopt.

**Retail Client Suitability Report:** As a retail client, the council is obliged by its treasury advisors, Arlingclose, to complete a Retail Client Suitability Report, which will be reviewed at least annually to ensure it is still fit for purpose. The report summarises the Council's financial position, its investment objectives and constraints, acknowledges risk and gives a recommendation as to the suitability of the Council's investment portfolio in achieving its objective.

**5. Capacity, Skills and Culture**

**Elected members and statutory officers:** The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and

additionally when the responsibilities of individual members of staff change. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers.

Staff attend training courses, seminars and conferences provided by Arlingclose. Elected members are also encouraged to engage in investment decisions and are invited to attend strategy meetings held with Arlingclose.

**Corporate governance:** The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Finance & Governance Committee and for the execution and administration of treasury management decisions to the Responsible Finance Officer who acts in accordance with the organisation's policy statement and TMPs.

The Finance & Governance Committee is responsible for ensuring effective scrutiny of the treasury management strategy, policies and investment decisions.

## **Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2025**

### **Underlying assumptions:**

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While, the Bank's measure of household expectations ticked lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

### **Forecast:**

- In line with our long-held forecast, Bank Rate was cut to 3.75% in December.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.
- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Central Case</b>	<b>3.75</b>	<b>3.50</b>	<b>3.25</b>										
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Central Case</b>	<b>3.82</b>	<b>3.55</b>	<b>3.30</b>	<b>3.35</b>	<b>3.35</b>	<b>3.35</b>							
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>5yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
<b>Central Case</b>	<b>3.96</b>	<b>3.85</b>	<b>3.80</b>	<b>3.75</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
<b>10yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
<b>Central Case</b>	<b>4.52</b>	<b>4.40</b>	<b>4.35</b>	<b>4.30</b>	<b>4.35</b>	<b>4.35</b>	<b>4.35</b>						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
<b>20yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
<b>Central Case</b>	<b>5.16</b>	<b>5.00</b>	<b>4.95</b>	<b>4.90</b>	<b>4.95</b>	<b>4.95</b>	<b>4.95</b>						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
<b>50yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
<b>Central Case</b>	<b>4.74</b>	<b>4.65</b>	<b>4.60</b>	<b>4.65</b>	<b>4.65</b>	<b>4.65</b>							
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

**Appendix B – Investment Portfolio Position 30 September 2025**

<b>Investment Portfolio</b>	<b>31.03.25 Balance</b> £	<b>Net Movement</b> £	<b>30.09.25 Balance</b> £	<b>30.09.25 Income Return</b> %
Banks and building societies (unsecured)	73,888	55,816	129,704	
Money Market Funds	750,000	500,000	1,250,000	
UK Govt/DMADF – DMO Deposit/Gilts	1,650,000	475,000	2,125,000	
<b>Total Internal Investments</b>	<b>2,473,888</b>	<b>1,030,816</b>	<b>3,504,704</b>	<b>3.91%</b>
Investments in Pooled Funds:				
Property	2,372,612	5,311	2,377,923	
Bonds	425,097	3,509	428,606	
Multi-Asset	863,791	19,318	883,109	
<b>Total External Funds-Market Value</b>	<b>3,661,500</b>	<b>28,138</b>	<b>3,689,638</b>	<b>4.80%</b>
<b>TOTAL INVESTMENTS</b>	<b>6,135,388</b>	<b>1,058,954</b>	<b>7,194,342</b>	<b>4.37%</b>