Finance & Governance Committee – 22nd July 2026 **Item 3**

Internal Audit Services 2026/27

Swanage Town Council is required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance'.

At the Special Meeting held 20 May 2026, it was reported that the Council's Internal Auditor, Darkin-Miller Chartered Accountant's LLP, had been appointed for a 3 year period with the option to extend for 2 years. It was noted that 2025/26 was the final year of the initial 3 year contract and it was requested that the first year of the 2 year extensions be invoked.

Extract from Minutes: Special Meeting held 20 May 2026:

26. **<u>TO CONSIDER THE INDEPENDENCE OF THE INTERNAL AUDITOR AND TO CONFIRM THERE IS NO CONFLICT OF INTEREST WITH THE EXTERNAL AUDITOR</u>**

It was reported that the existing contract with the Internal Auditor was for a three-year duration with the option for two one-year extensions; it was noted that the 2026/27 audit would require invoking the first one-year extension. A point was raised regarding a periodic change in auditor being seen as good practice, and this was noted as a matter to be considered at the next Finance and Governance Committee meeting in July 2026.

The Finance & Governance Committee is therefore asked to consider whether or not to invoke the extension of the existing internal audit contract for a further one year period in light of the following information as regards to good practice.

Section Four of the SAPPP Practitioners' Guide governs the best practice for Internal Audit, and is attached as Appendix A.

Sections 4.6 to 4.19 determine the selection and appointment of the Internal Auditor, with the two key principles being independence and competence. The independence of the Internal Auditor was affirmed at the meeting held 20 May 2026. There is currently no requirement to rotate auditors as stated in section 4.11. However, an annual review should be carried out of the effectiveness of the internal audit arrangements.

<u>Extract from the Practitioners' Guide, March 2026:</u>

Selecting and appointing an internal audit provider

<u>Independence</u>

4.11 There is no requirement to rotate auditors but the independence of the appointed person or firm should be reviewed every year with regard to; personal independence, financial independence, and professional independence.

<u>Planning and oversight</u>

4.15 It is a matter for the authority to determine how best to meet the statutory requirement for internal audit, having regard to its size, scope of services and complexity of financial arrangements.

4.16 Authorities should, at least annually, carry out a review of the effectiveness of their overall internal audit arrangements. It should be designed to provide sufficient assurance for the authority that standards are being met and that the work of internal audit is effective. Authorities should judge the extent and scope of the review by reference to their own individual circumstances.

Consideration of Internal Audit Plan 2026/27

At the Finance & Governance Committee meeting held 13th October 2023, it was agreed to adopt an audit plan consisting of 'Core testing plus detailed testing on high value income streams' with an estimated 10 working days per annum.

In reviewing the internal audit arrangements, the Town Clerk/RFO and Finance Manager meet annually with the internal auditor to agree the Strategic Audit Plan. This meeting is due to take place in September 2026 where an audit plan for the 2026/27 financial year will be agreed.

A draft strategic audit plan based upon the estimated hours for 2025/26, including the core testing plan and detailed testing on car parking income, is detailed below:

DRAFT STRATEGIC AUDIT PLAN 26/27

Ref		Last tested	2026/27 V2 -proposed- core + car parks	Core test
1	Bookkeeping	25/26	00:10	Y
2	Creditors - Payments	25/26	06:00	Y
3	Risk management including minutes review	25/26	06:30	Y+
4	Budgetary Control	25/26	00:30	Y+
5	Income (cash and debtors)	25/26	08:00	Y+
6	Petty Cash & Imprests	25/26	05:00	Y
7	Payroll	25/26	07:00	Y
8	Fixed Assets	25/26	00:30	Y
9	Bank rec and Treasury management	25/26	01:00	Y+
10	Year end procedures	25/26	05:00	Y
11	Exemption	25/26	00:00	Y
12	Transparency	25/26	00:30	Y
13	Public Rights	25/26	00:15	Y
14	Publication	25/26	00:15	Y
15	Trusts	25/26	01:00	Y
16	Allotments	21/22	-	N
17	Beach Gardens	21/22	-	N
18	Boat Park	25/26	-	N
19	Car Parks	25/26	09:00	N
20	Cemeteries	24/25	-	N
21	Market	23/24	-	N
23	TIC Cash Income	21/22	-	N
24	TIC Rent Income	24/25	-	N
22	Lease Income	25/26	-	N
25	Depot Stocks & Stores	22/23	-	N
	Management / Planning / Reporting/ Ctte etc	25/26	10:00	Y
	Estimated Number of 7 hour days		**08.40**	

In addition to the core testing requirements, the Internal Auditor reviews Car Parking income as a standing item due to the high level of income.

The Committee is asked to review this draft audit plan and consider if it meets the requirements for internal audit, set out in paragraphs 4.15 and 4.16 of the Practitioners' Guide set out above.

Decision required

To approve the appointment of Darkin-Miller Accountants LLP as the Council's Internal Auditor for the 2026/27 financial year, invoking the 1st year of a 2 year contract extension.

To approve the proposed Strategic Audit Plan 2026/27 as a draft for consideration by the Town Clerk, Finance Manager and Internal Auditor at a meeting in September 2026, with any additional testing requirements that may be agreed by the Committee.

Alison Spencer
Finance Manager

July 2026

SAPPP
Smaller Authorities
Proper Practices Panel

SECTION FOUR — BEST PRACTICE GUIDANCE FOR INTERNAL AUDIT

Introduction

4.1. This section intends to provide members and officers of smaller authorities as well as those offering to provide internal audit services to such authorities, details of the legal framework, regulations and guidance to be followed.
4.2. Smaller authorities are required by the Accounts and Audit Regulations 2015 to ‘undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance’.
4.3. The public sector internal audit standards have not been applied to smaller authorities. The information in this section is therefore guidance and should be considered by smaller authorities in undertaking a best practice effective internal audit.
4.4. It is not the purpose of either internal or external audit to detect or prevent fraud. However, if internal auditors identify concerns as part of the review, they may wish to contact the authority’s external auditor who are a ‘prescribed body’ under the Public Interest Disclosure Act.
4.5. It is not the role of any internal auditor to complete Section 1 or Section 2 of the AGAR, that is the responsibility of the authority.

Selecting and appointing an internal audit provider

4.6. In addition to ensuring the appointed internal auditor has relevant knowledge of the public sector, there are two key principles an authority must follow in appointing an internal audit provider: independence and competence.
4.7. There are various ways for an authority to source an internal audit service, for example:
- Purchasing an internal audit service from a local firm or specialist internal audit practice with an understanding of the local government legal framework;
- Purchasing an internal audit service from a principal local authority;
- Engaging a competent internal auditor with sufficient organisational independence to undertake the role;
- Appointing a local individual or a member of a panel of individuals administered with appropriate safeguards and segregation of duties by a local association affiliated to NALC, SLCC or ADA.

4.8. There is no requirement for a person providing the internal audit role to be professionally qualified, however essential competencies to be sought from any internal audit service should include:
- understanding basic book-keeping and accounting processes; where an authority exceeds the £200,000 threshold, this understanding must include accrual accounting and balance sheets;

- understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management;
- awareness of relevant principles and practice of financial and other risk management;
- understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities, as set out in Sections 1 and 3 of this guide (knowledge of which is a prerequisite);
- awareness of the most recent model Standing Orders and model Financial Regulations as published by NALC and how they are adopted by authorities;
- awareness of the relevance of VAT and PAYE/NIC rules as applied to the authority;
- for larger authorities, a clear understanding of the risks and controls associated with 'cut off' procedures, particularly with respect to revenue-generating activities.

Independence

4.9. Independence requires the absence of any actual or perceived conflict of interest. It means that whoever carries out the internal audit role does not have any involvement in, or responsibility for, the financial decision making, management or control of the authority, or for the authority's financial controls and procedures.

4.10. A current or recent authority member, who cannot demonstrate independence from decisions in the year to be audited, cannot be its internal auditor. Similarly, it would not be appropriate for any individual or firm with a personal connection to a member or officer of the authority to be appointed. Conflicts of interest must be avoided, such as in cases where an external provider of accounting software or services to the authority, also offers internal audit services through an associate company, firm or individual.

4.11. There is no requirement to rotate auditors but the independence of the appointed person or firm should be reviewed every year with regard to; personal independence, financial independence, and professional independence.

Competence

4.12. Evidence as to competence might include letters of recommendation from other similar authorities.

Engagement

4.13. Every authority should ensure that they have a letter of engagement which would normally include:
- roles and responsibilities
- audit planning and timing of visits
- reporting requirements

- rights of access to information, members and officers
- period of engagement
- remuneration
- any other matters required for the management of the engagement by the authority

4.14. Most internal auditors will have professional indemnity insurance cover which provides both the authority and the person or firm engaged, with protection and assurance.

Planning and oversight

4.15. It is a matter for the authority to determine how best to meet the statutory requirement for internal audit, having regard to its size, scope of services and complexity of financial arrangements.

4.16. Authorities should, at least annually, carry out a review of the effectiveness of their overall internal audit arrangements. It should be designed to provide sufficient assurance for the authority that standards are being met and that the work of internal audit is effective. Authorities should judge the extent and scope of the review by reference to their own individual circumstances.

4.17. As with any review, it should be evidence based.
Wherever possible this should be gathered throughout the year.
Sources may include:

- previous review and action plan;
- annual report by internal audit;
- other reports from internal audit, including internal audit plan, monitoring reports, and the results of any investigations;
- any reports by the external auditor;
- the results of any other external reviews of internal control.

4.18. As part of the review the internal auditor should produce a report to the authority highlighting areas for improvement or development. An action plan should be produced setting out the areas of improvement required, any proposed remedial actions, the members or officers responsible for delivering improvement, and the deadlines for completion of the actions.

4.19. Internal auditors should be aware of the National Audit Office guidance to external auditors regarding the additional work expected in respect of authorities with income or expenditure in excess of £2,000,000

Internal Audit Checklist

4.20. The following sets out the basic requirements for conduct of an effective internal audit review of an authority's financial and governance records and controls facilitating the completion of the Internal Audit Report in an authority's Annual Governance and Accountability Return (AGAR). The detail is not exhaustive but aims to provide Proper Officers and internal auditors with a basic guide to the controls that should ideally be in place and physical checks/testing that should be applied. Where records examined include personal detail, such as in the case of staff salaries, allotment records and detail of hall hirers on invoices, care should be taken to ensure compliance with the requirements of the General Data Protection Regulations (GDPR).

4.21. Internal auditors should also, as part of the overall check on the authority's governance arrangements, review all full authority and committee minutes (and supporting papers) to gain an overview of the authority's financial and governance controls, monitoring that no actions of a potentially unlawful nature are being considered or any such decisions have been taken and that approval of all minutes is in accordance with the legislation. This particular facet does not align to an individual section of the internal audit report in the AGAR but serves to give a degree of high-level indication as to the effectiveness of an authority's overall controls and decision-making process.

AGAR certificate reference	Internal Audit action for expected controls
A. Appropriate accounting records have been properly kept throughout the year. AND I. Periodic bank account reconciliations were properly carried out during the year.	• Ensure the correct roll forward of the prior year cashbook balances to the new financial year. • Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained. • Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members. • Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. • Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	• Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version. • Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents). • Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/ services delivery and approval for payment; ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation.

	• Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments. • Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements. • Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	• Ensure that authorities have prepared and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc. • Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity/ employees (including members) liability, business interruption and cyber security. • Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches; such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation. • Review the effectiveness of internal control carried out by the authority.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	• Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable • Ensure that current year budget reports are prepared and submitted to the Authority/ Committees periodically during the year with appropriate commentary on any significant variances. • Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances. • Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process. • Ensure that the precept received in the accounts matches the prior year submission form to the relevant

	authority and the public record of precepted amounts.
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	• Review "Aged debtor" listings to ensure appropriate follow up action is in place. • Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained, identifying that debtors are monitored. • Burials: ensure that a formal burial register is maintained, that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates) • Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised. • Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time. • Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income. • Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked.
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	• A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, where no payments are made in physical cash, a "Not covered" response is required in this area. • Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc). • Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held. • Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held. • Ensure that VAT is identified wherever incurred and appropriate. • Physically check the petty cash and other cash floats held.

	• Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings.
G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	• Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract. • Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability. • Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours. • Ensure that appropriate tax codes are being applied to each employee. • Where free or paid for software is used, ensure that it is up to date. • For the test sample of employees, ensure that tax is calculated appropriately. • Check the correct treatment of Pension contributions. • For NI, ensure that the correct deduction and employer's contributions are applied: NB. the employers allowance is not available to councils but may be used by other authorities • Ensure that the correct employers' pension percentage contribution is being applied. • Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.
H. Asset and investment registers were complete and accurate and properly maintained. This section/assurance should be extended to include loans to or by the authority.	• Tangible Fixed Assets: • Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of/ no longer serviceable assets. • Physically verifying the existence and condition of high value, high risk assets may be appropriate. • Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement/ insured cost, the latter being updated annually and used to assist in forward planning for asset replacement. • Additions and disposals records should allow tracking from the prior year to the current.

	● Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals. ● Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority. ● Fixed asset investments: ● Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at section 2, line 9. ● Borrowing and Lending: ● Ensure that the authority has sought and obtained appropriate UK Debt Management Office approval for all loans acquired. ● Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan, any arrangement fee should be regarded as an admin expense) in the year of receipt. ● Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5. ● Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified from the lender and verification provided to the IA by the clerk/RFO). ● Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt.
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at section 2 of the AGAR reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should: ● Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein. ● Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the

	year and at the financial year-end.
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000) ● the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline; ● that it has been published, together with all required information on the Authority's website and noticeboard.
L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation.	IAs should review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation, including publishing the ICO publication scheme on its website.
M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection. IAs may also check whether authorities have minuted the relevant dates at the same time as approving the AGAR.
N. The authority complied with the publication requirements for the prior year AGAR.	IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.
O. The authority complied with laws, regulations & proper practices relating to digital and data compliance.	• Ensure local authority has, as a minimum, a single generic email address on an authority owned domain. • Check that website accessibility has been tested, at least annually, and that the accessibility statement has been updated as required. • Check when the authority last completed a data audit. • Ensure the authority has prepared and formally adopted a data protection policy that is reviewed at least once annually. • Ensure the authority has an up to date IT policy in place.
P. Trust funds (including charitable) - the Council met its responsibilities as a trustee.	● Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements. ● that the council is the sole trustee on the Charity Commission register. ● that the council is acting in accordance with the Trust deed. ● that the Charity meetings and accounts are recorded

	separately from those of the council. ● review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report.

Reporting on Internal Audit

4.22. The duties of internal audit relate to reporting on the adequacy and effectiveness of an authority's system of internal control. The minimum reporting requirement for internal audit to the smaller authority is met by completing the annual internal audit report on the Annual Governance and Accountability Return.

4.23. In most cases, an additional narrative report to the authority would be expected. It is advised that all authorities publish this full report on their websites with the AGAR along with any comments from the external auditor.

4.24. Any narrative report should have conclusions that are compatible with the entries on the AGAR.

4.25. The annual internal report will inform the authority's response to Assertion 2 and Assertion 6 in the annual governance statement.

4.26. An authority should minute their review and actions planned from the outcomes of the AGAR tests and content of any narrative reports from Internal Auditors.

Budget Monitoring Report - Income & Expenditure Account
Quarter ending 30th June 2026

Summary

At the end of the 1st quarter the Council's revenue account is showing a positive variance of £14.6k against budget.

Service	Q1			Annual	
	Net Expenditure	Budgeted Net Expenditure	Variance Year to Date	Budgeted Net Expenditure	Forecast Out-turn
Car Parks	(263,934)	(267,382)	3,448	(689,895)	(686,446)
Management Account - Co-operative Car Park	(6,594)	(6,125)	(469)	(24,500)	(24,969)
Boat Park	(53,031)	(53,493)	462	(39,730)	(39,268)
Public Conveniences	40,083	43,565	(3,482)	176,975	173,493
Burlington Chine Beach Chalets Mgt Account	0	0	0	(155)	(155)
Cemeteries	(7,917)	(5,331)	(2,586)	(20,745)	(23,330)
Parks and Operations	183,452	176,205	7,247	792,440	799,687
King George's Field Trust-Management A/c	(8,905)	335	(9,240)	(12,000)	(21,240)
CCTV System & Control Centre	185	1,000	(815)	4,500	3,685
Beach Gardens	(13,283)	(13,873)	590	(12,490)	(7,150)
The Downs/Other Grounds and Gardens	(6,148)	(5,440)	(708)	(8,275)	(8,983)
Beaches and Foreshore	40,005	45,254	(5,249)	103,685	107,800
Beach Bungalows	(161,061)	(160,836)	(225)	(130,580)	(134,812)
Publicity & Information Centre	57,895	62,352	(4,457)	288,565	284,108
Allotments	(2,626)	(2,075)	(551)	(2,575)	(3,126)
General Buildings	2,000	(13,939)	15,939	(51,655)	(35,716)
Central Services & Corporate Management	163,134	168,923	(5,789)	594,580	578,791
Members & Civic Costs	2,418	2,710	(292)	20,650	20,358
Grants/Donations/Third Party Contributions	15,913	15,813	100	64,050	64,151
Net Cost of Services	(18,414)	(12,337)	(6,077)	1,052,845	1,046,878
Non-Service Expenditure					
Community Infrastructure Levy	(13,445)	0	(13,445)	0	(13,445)
Precept on Dorset Council	(579,500)	(579,500)	0	(1,159,000)	(1,159,000)
Interest and investment income	(72,461)	(55,000)	(17,461)	(220,000)	(250,000)
Net Operating expenditure	(683,821)	(646,837)	(36,984)	(326,155)	(375,567)
Other Movements on the General Fund					
Appropriation to Reserves	22,350	0	22,350	179,670	223,260
Appropriation from Reserves	0	0	0	0	0
Financing Capital Expenditure	19,871	19,871	0	140,000	140,000
(Surplus)/Deficit for the Period	(641,600)	(626,966)	(14,634)	(6,485)	(12,308)

Car Parks

Car parking realised a net surplus of £263.9k for the period against a budgeted surplus of £267.3k, a negative variance of £3.4k.

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn - Q1
	£	£	£	£	£
Employee Costs	15,659	15,945	(286)	60,480	60,194
Expenditure	60,489	61,185	(696)	197,900	197,204
Income	(340,082)	(344,512)	4,430	(948,275)	(943,844)
Net Expenditure	(263,934)	(267,382)	3,448	(689,895)	(686,446)

As shown in the summary above, income is marginally below budget overall at the end of the 1st quarter by £4.4k. Underlying the total variance are individual variances in income from Broad Road, -£5k, Main Beach -£4.8k Mermond -£1.5k and North Beach + £2k, a -£9k variance in total from all parking revenue at the end of the quarter.

For the third year running, some significant changes were made to the council's long stay tariffs and tariff structure. The annual budget for 26/27 was increased by £126k from 25/26, which in turn had been uplifted from the prior year by £39k.

Table 1: Long Stay Car Parks Net Revenue and Usage (data from ASLAN/Flowbird Web Office/JustPark)

	Main Beach		North Beach		Broad Road		Total	
2024/25								
April	5,493	£21,998	227	£750	6,024	£22,350	11,744	£45,097
May	8,987	£38,488	752	£2,789	8,375	£34,190	18,114	£75,466
June	9,103	£40,949	881	£3,419	8,698	£35,028	18,682	£79,396
Q1 Total	**23,583**	**£101,434**	**1,860**	**£6,958**	**23,097**	**£91,567**	**48,540**	**£199,959**
2025/26								
April	7,737	£36,341	399	£1,486	7,419	£32,180	15,555	£70,007
May	9,398	£46,548	751	£2,816	8,396	£37,810	18,545	£87,173
June	9,172	£45,559	919	£3,483	7,798	£35,037	17,889	£84,078
Q1 Total	**26,307**	**£128,448**	**2,069**	**£7,785**	**23,613**	**£105,026**	**51,989**	**£241,259**
2026/27								
April	7,168	£36,306	335	£1,541	6,525	£30,385	14,028	£68,233
May	9,206	£51,830	1071	£6,418	8,481	£42,770	18,758	£101,018
June	7,973	£44,134	717	£4,021	7,623	£36,815	16,313	£84,970
Q1 Total	**24,347**	**£132,270**	**2,123**	**£11,979**	**22,629**	**£109,971**	**49,099**	**£254,221**

The total visitor numbers in the 1st quarter were lower in 2026/27 than in 2025/26 by 5.5%, however income increased by 5.3%. More significantly, there was a 1.1% increase in visitor numbers from

2024/25 with a 21.3% increase in income. These figures show the impact of the structural and tariff changes that have been made to the long stay parking in recent years.

The main concern when revising the tariff structure was the impact that the introduction of the 3 hour tariff would have on the 2 and 4 hour tariffs. It is quite difficult to directly make comparisons year on year due to the inconsistent factors which determine the number of visitors and the tariffs purchased, however we can look at the tariff distribution yoy as a percentage of tickets purchased.

Table 2: % distribution of standard tariff purchases – Apr - Jun

	Tariff						
Period	**1 hour**	**2 hours**	**3 hours**	**4 hours**	**5/6 hours**	**13 hours**	**3 & 7 day**
Q1 25/26	16%	35%	0%	28%	15%	6%	0.5%
Q1 26/27	17%	27%	24%	14%	8%	10%	0.5%
YOY Movement	**1%**	**-8%**	**24%**	**-14%**	**-7%**	**4%**	**0%**
Estimate	16%	26%	16%	21%	15%	6%	0.5%

There has been a greater number of 3 hour parking sessions and fewer 4 hour tickets purchased in the 1st quarter than the figures used for budget setting, which will account for some of the variance to budget. A higher uptake has also been seen in the 13 hour tariff with the 5 hour ticket lower than prior year (revised to 5 hours from a 6 hour tariff in 25/26).

At the end of the quarter, actual income against budget is -2.8% and visitor numbers are 5.5% lower than in 25/26, so it is probable that the tariff changes are not greatly impacting revenue rather it is just the generally lower number of visitors over the quarter which accounts for the larger part of the variance. The introduction of the 3 hour tariff has been welcomed by visitors, and it will be interesting to see the results at the end of Q2.

There is currently a deficit of £3.3k on the taxi permit budget. Presently, 14 permits out of 25 have been issued, which is the lowest number of permits issued at the beginning of the year for a significant period.

A variance of +£4.5k from the recharge of electricity for the EVCPs was also seen (offsetting an expenditure variance). Again, it was anticipated that the council would not be directly providing the EV chargers in the current year.

Employee costs and expenditure are generally in line with budget overall. There are some variances, such as electricity and repairs and maintenance costs with variances of +£2.8 and -£2.4k respectively, but none are significant.

Projecting forward to year-end, a surplus of £686k is anticipated against a budgeted surplus of £689k.

Boat Park & Fishers' Huts

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn Q1**
	£	**£**	**£**	**£**	**£**
Employee Costs	7,724	7,300	424	19,940	20,365
Expenditure	6,169	6,497	(328)	20,010	19,682
Income	(66,924)	(67,290)	366	(79,680)	(79,314)
Net Expenditure	(53,031)	(53,493)	462	(39,730)	(39,268)

Income and expenditure for the boat park have largely been as per budget for the 1st quarter.

The year-end forecast shows an outturn of a surplus of £39.2k against a budgeted surplus of £39.7k.

Public Conveniences

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Expenditure	41,841	45,240	(3,399)	183,400	180,001
Income	(1,758)	(1,675)	(83)	(6,425)	(6,508)
Net Expenditure	40,083	43,565	(3,482)	176,975	173,493

Expenditure is £3.4k under budget year to date and this mainly relates to the repairs and maintenance budget being underspent year to date.

A tender carried out in 2025/26 resulted in the contract for water supply being awarded to Everflow. The terms of the contract require advance payment for 2 months. As such it is proving challenging to monitor actual against invoiced usage in a timely manner, with numerous invoices and credit notes being applied each month. However, expenditure is on budget.

Cemeteries

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Expenditure	5,268	3,734	1,534	14,195	15,730
Income	(13,185)	(9,065)	(4,120)	(34,940)	(39,060)
Net Expenditure	(7,917)	(5,331)	(2,586)	(20,745)	(23,330)

Small variances have been seen in in some expenditure lines, but there are no significant variances to report.

Income is £4k above budget year to date, but as ever this is a demand driven revenue source and variances, both positive and negative are usual.

Parks & Operations

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn - Q1
	£	£	£	£	£
Employee Costs	145,258	144,095	1,163	592,180	593,343
Expenditure	82,187	72,298	9,889	333,310	343,198
Income	(43,992)	(40,188)	(3,804)	(133,050)	(136,854)
Net Expenditure	183,452	176,205	7,247	792,440	799,687

At the end of the 1st quarter the Parks & Operations department net expenditure is £7.2k over budget.

Income is generally as per budget, with the exception of Day's Park which has a positive variance due to a £3k contribution from Barratts for the installation of a new pathway.

Overall expenditure is £9.8k above budget at the end of the 1st quarter.

A budget of £17k was allocated to monitoring of the green seafront. An order has been issued for 6 monitoring visits in 2026/27 and therefore there should be an underspend on this budget line, with £3k under budget year to date.

In March 2026 Council approved an additional budget for the replacement of catenary wire and the installation and hire of festoon lighting, due to the failure of the existing wire. A budget of £15.9k was allocated in yr 1.

Emergency repairs to one of the council's tractors at a cost of £6.4k has resulted in an overspend on vehicles at the end of the quarter. This was reported to council on 22 June 2026, Minute 48.

A small variance in employee costs has been realised at quarter end.

Beach Gardens

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn - Q1
	£	£	£	£	£
Employee Costs	12,540	13,350	(810)	35,730	34,920
Expenditure	10,473	10,947	(474)	45,240	49,516
Income	(36,297)	(38,170)	1,873	(93,460)	(91,587)
Net Expenditure	(13,283)	(13,873)	590	(12,490)	(7,150)

This department is generally as per budget, with a few insignificant variances in income, expenditure and employee costs. Members approved the repurposing of court 6 for Pickleball, with a £4.75k budget. As a result, the forecast for year end is a negative variance of £5.3k

Downs/Miscellaneous Grounds

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Expenditure	325	1,219	(894)	5,475	4,581
Income	(6,472)	(6,659)	186	(13,750)	(13,564)
Net Expenditure	(6,148)	(5,440)	(708)	(8,275)	(8,983)

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

Beaches & Foreshore

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Employee Costs	15,101	15,500	(399)	52,070	51,671
Expenditure	55,452	57,654	(2,202)	85,430	92,593
Income	(30,548)	(27,900)	(2,648)	(33,815)	(36,463)
Net Expenditure	40,005	45,254	(5,249)	103,685	107,800

At the end of the 1st quarter a positive variance of £5.2k has been seen in this department.

Income year to date is £2.6k above budget. This is due to a repayment of £2.7k from HMRC relating to the incorrect rate of VAT that was charged during 2021 on the private site licences. As previously reported, HMRC had refused to refund the council (and ultimately the licensees) the overpaid VAT relating to the 2021 season as they determined that this was outside of the 4 year time limit for the notification of errors. In March 2026 (Minute 3 F&G 18 March 2026), Members agreed to refund the overpaid VAT to licensees by way of a credit note as a gesture of goodwill to the affected licensees, with a reduction in income seen in 2025/26. However, an appeal was submitted to HMRC as it was felt that the delay in notification of the error was due to the non-response to queries by HMRC. This was accepted and the appeal was successful meaning that the council was refunded the £2.7k that had been credited to licensees in 2025/26.

Expenditure is under budget with a £2.2k variance. A request from the Visitor Services Manager to vire £2k from the beach signs and safety equipment budget to the Publicity and Tourism budget was approved to fund the purchase of a noticeboard outside the TIC. At the Council meeting held 22nd June 2026, Minute 45 (a) it was agreed that a £10k budget to develop the Beach Access vision be approved and is included in the year-end outturn figures.

Overall, a revised year-end outturn of a net deficit of £107k against a budget of £103k is being projected at the end of the quarter.

Beach Huts

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn - Q1
	£	£	£	£	£
Expenditure	17,341	21,954	(4,613)	78,870	70,250
Income	(178,402)	(182,790)	4,388	(209,450)	(205,062)
Net Expenditure	(161,061)	(160,836)	(225)	(130,580)	(134,812)

Beach hut income is £4.3k under budget at the end of the quarter. This mainly relates to the Spa Retreats Beach Huts (-£3.8k) with other huts being marginally under budget.

Expenditure is generally as per budget with some variances on rates (-£1.7k) and cleaning services (-£1.9k). This is due to the RHL multiplier being applied to business rates on beach huts and the termination of a cleaning contract which is being reviewed.

Publicity & Tourism

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn - Q1
	£	£	£	£	£
Employee Costs	60,831	60,188	643	242,840	243,483
Expenditure	12,041	16,515	(4,473)	77,710	73,237
Income	(14,977)	(14,350)	(627)	(33,985)	(34,612)
Net Expenditure	57,895	62,352	(4,457)	286,565	282,108

At the end of the 1st quarter a positive variance of £4.4k has been realised. Income, expenditure and employee costs are generally as per budget with only minor variances. The largest variance is on stock purchases at -£1.7k. A virement of £2k was approved from the Beaches & Foreshore signs budget for the purchase of a replacement noticeboard at the TIC.

Allotments

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn - Q1
	£	£	£	£	£
Expenditure	2,180	2,625	(445)	7,175	6,730
Income	(4,806)	(4,700)	(106)	(9,750)	(9,856)
Net Expenditure	(2,626)	(2,075)	(551)	(2,575)	(3,126)

To date allotments have performed largely as per budget, with very little activity to report.

General Buildings/Misc Areas (incl roads)

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Expenditure	19,439	3,500	15,939	26,500	42,439
Income	(17,439)	(17,439)	0	(78,155)	(78,155)
Net Expenditure	2,000	(13,939)	15,939	(51,655)	(35,716)

Expenditure is £15.9k over budget at the end of the quarter. £11k was approved as emergency expenditure in relation to a collapsed drain at Prospect Green (reported Minute no. 235, 27 April 2026). A further £7.5k of expenditure was incurred for repairs to the parade railings, Minute 216 (f).

Appendix A ref: 2 refers to repairs to the surface of Panorama Road. It is anticipated that this may exceed the budget provision of £20k and will be considered once tenders have been returned.

Central Services & Corporate Management

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Employee Costs	100,280	108,025	(7,745)	432,100	414,355
Expenditure	66,510	64,123	2,387	183,330	185,717
Income	(3,656)	(3,225)	(431)	(20,850)	(21,281)
Net Expenditure	163,134	168,923	(5,789)	594,580	578,791

At the end of Q1 net expenditure is £5.7k under budget, with several variances underlying this figure, although only one is significant.

This relates to legal and professional fees being £5.2k over budget, and the only reportable, significant variance in terms of income and expenditure.

Employee costs are under budget due to reduced hours being employed in Q1. One post will become vacant during Q2 and a further variance is anticipated.

Members and Civic Costs

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Net Expenditure	2,418	2,710	(292)	20,650	20,358

Expenditure is largely on budget at the end of Q1.

Grants & Donations

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Expenditure	15,913	15,813	101	64,050	64,151

Expenditure is largely as per budget year to date. Members agreed Minute 157 (b) Special Meeting 12 January 2026 that the council would continue to pay a grant of £5,250 per annum (£1,312.50 per quarter) to the Swanage & Herston Football Club until resolution of an ongoing rent review with Vodafone. Consideration needs to be given as to whether this point has been reached.

King George's Management Account

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn Q1**
	£	**£**	**£**	**£**	**£**
Employee Costs	461	460	1	3,000	3,001
Expenditure	563	3,375	(2,812)	17,500	14,688
Income	(9,928)	(3,500)	(6,428)	(32,500)	(38,928)
Net Expenditure	(8,905)	335	(9,240)	(12,000)	(21,240)

Income from overflow car parking is £1.3k above budget year to date, with income from event parking/administration £5k above budget. Employee costs have been recharged from Parks & Operations. The surplus has been appropriated to the earmarked reserve and adjustments will be made at the end of each quarter.

Employee Costs

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Car Parks	14,185	14,190	(5)	53,460	53,455
Market	1,474	1,755	(281)	7,020	6,739
Boat Park	7,725	7,300	425	19,940	20,365
Parks & Operations	145,719	144,555	1,164	592,180	596,344
Beach Gardens	12,540	13,350	(810)	35,730	34,920
Beaches - Cleaner	14,006	13,940	66	38,740	38,806
Beaches – Beach Warden	1,095	1,560	(465)	13,330	12,865
Tourism	60,831	60,188	643	242,840	243,483
Central Services	100,280	108,025	(7,745)	432,100	414,355
Total	357,854	364,862	(7,008)	1,435,340	1,421,332

At the end of the 1st quarter a positive variance of £7k was realised in total. In respect of the 2026/27 local government pay award, provision has been made based upon the employers' full and final offer of 3.3%. This offer was rejected by the Unions, so it is unlikely that this will be resolved until Q3. A budget of 3% was incorporated into the estimates so there may be some small variances on settlement, but this should be offset by the variance in Central Services due to a currently vacant post.

Interest & Investment Income

	Q1			Annual	
	Actual	**Budget**	**Variance**	**Budget**	**Forecast Outturn - Q1**
	£	**£**	**£**	**£**	**£**
Net Expenditure	(72,461)	(55,000)	(17,461)	(220,000)	(250,000)

The Council's investment portfolio at 30 June 2026:

Investment Portfolio	**31.03.26 Balance £**	**Net Movement £**	**30.06.26 Balance £**	**30.06.26 Income Return %**
Banks and building societies (unsecured)	88,484	-642	87,842	
Money Market Funds	1,250,000	0	1,250,000	
UK Govt/DMADF	1,400,000	450,000	1,850,000	
Total Internal Investments	**2,738,484**	**449,358**	**3,187,842**	**3.77%**
Investments in Pooled Funds (Fair value):				
Property	2,372,424	-28,300	2,344,124	
Multi-Asset	420,995	9,094	430,089	
Bonds	873,755	16,995	890,750	
Total External Funds	**3,667,174**	**-2,211**	**3,664,963**	**3.93%**
TOTAL INVESTMENTS	**6,405,658**	**447,147**	**6,852,805**	**3.86%**

Short-Term Investments

In total the Council's short-term investment portfolio increased by £449k during the course of Q1, with the first tranche of the precept being received in April.

An average yield of 3.77% was seen in short-term investments at the end of the period, 0.3% lower than that in Q1 25/26.

Strategic Investments

The Council has continued to hold its units in CCLA Property Fund, Ninety-One Diversified Income Fund and M&G Strategic Corporate Bond Fund. Income has remained high, averaging 3.93% for these funds. Although two of the council's strategic investments continue to show an unrealised loss, this has reduced by £26k during the quarter. This unrealised loss of £179k is covered by the Treasury Risk Management Reserve which holds £214k. A breakdown of these investments is shown in Appendix B.

Revenue Account - General Overview

At the end of the 1st quarter of the council's financial year, net expenditure is £14.6k under budget, once the surplus of £8.9k for the King George's Management Account has been allocated to EMR.

The main contributors to this variance are: +£17.4k variance from investment income, the supplementary expenditure budgets outlined in Appendix A and a +£7k variance in employee costs.

Presently, a surplus on the general fund of £12.3k is forecast at year-end, against a budgeted surplus of £6.4k, a variance of £5.9k.

Reserves and Balances held 30th June 2026

A summary of the reserves and balances held at 30th June 2026 is given below:

	Balance 31/03/2026 £	Movement in Year £	Balance 30/06/2026 £
General Fund	738,756	641,600	1,380,356
Earmarked Reserves	3,469,349	22,350	3,491,699
Capital Receipts Reserve	1,889,216	0	1,889,216
Total	**6,097,321**	**663,950**	**6,761,271**

Detailed movements on the General Fund are shown on page 1 of the Q1 Budget Report.

Earmarked Reserves

The Council holds the following earmarked reserves:

	Balance 31/03/2026 £	Transfer to/(from) reserve £	Balance 30/06/2026 £
Beach Huts Reserve	10,000	0	10,000
Environmental Projects Reserve	92,000	0	92,000
Community Infrastructure Levy	390,021	13,445	403,466
De Moulham Back Roads	28,664	0	28,664
Treasury Risk Management Reserve	214,132	0	214,132
Car Park Machines	9,811	0	9,811
Play Equipment-General Areas	51,406	0	51,406
Vehicle & Plant Replacement	40,000	0	40,000
Tennis Courts Refurbishment	19,944	0	19,944
Public Conveniences	15,000	0	15,000
IT Equipment Reserves	20,264	0	20,264
Green Seafront Scheme	1,850,000	0	1,850,000
Community Sea Defence Project	450,000	0	450,000
King George’s Field Management Account	68,144	8,905	77,049
Bandstand	9,888	0	9,888
Asset Management Plan Reserve	175,000	0	175,000
Boat Park/Fishers Huts Reserve	20,000	0	20,000
Grants Reserve	5,075	0	5,075
Total	**3,469,349**	**22,350**	**3,491,699**

Appendix A

Significant (> £5k) One Off Revenue Expenditure/Minor Works – 2026/27

Ref	Item/location	Description of Works	Budget £	Actual Expenditure to date	Works programmed	Update
1	Town Hall	Insulation	5,000	-	Jan-27	
2	Panorama Road	Surface repairs	20,000	-	Nov-26	Potential for tenders to exceed budget provision
3	Days Park	Pathway repairs	5,000	-	Oct-26	
4	Days Park	Football Club - Asbestos Removal	60,000	-	Aug-26	This may be issued as a grant, with a reduced contribution of £45,000, Minute 242 Extraordinary Meeting held 6 May 2026. This figure may be further reduced once the scope of works has been finalised.
5	Beaches & Foreshore	Signage	10,000	9,999	May-26	
			100,000	**9,999**		

Supplementary Budgets 26/27

AD1	Festive Lights	Catenary Wire - Installation and Rental yr1	15,895	15,892	Q1	Agreed - Minute 216 (a) Council Meeting 23 March 2026
AD2	Parade Railings	Railing Repairs	7,500	7,500	Q1	Agreed - Minute 216 (f) Council Meeting 23 March 2026
AD3	Prospect Green	Drainage repairs	11,126	11,126	Q1	Reported - Minute 235 Council Meeting 27 April 2026
AD4	Vehicles	Repairs to John Deere Tractor	6,564	6,564	Q1	Reported - Minute 48 (a) Council Meeting 22 June 2026
			41,085	**41,082**		

Appendix B

Strategic Pooled Fund Portfolio – 30/06/2026

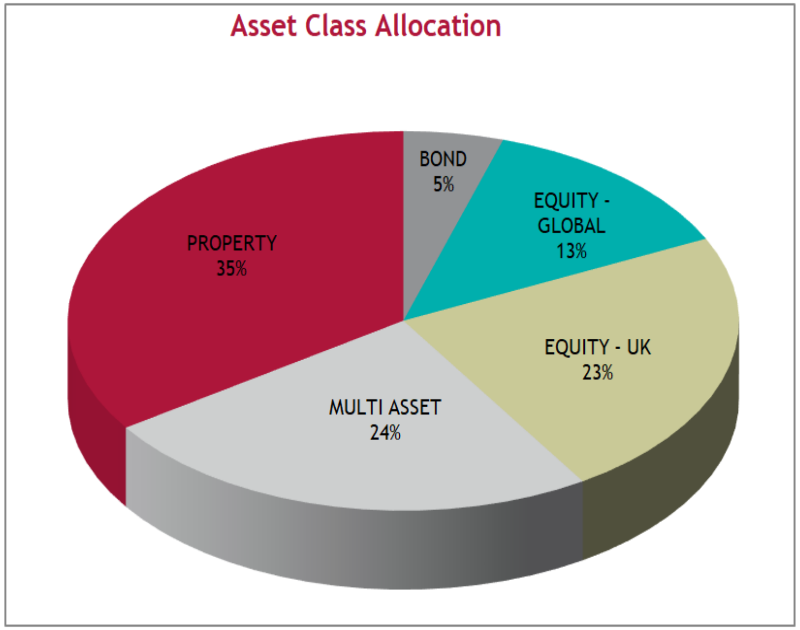
STRATEGIC POOLED FUND PORTFOLIO		SWANAGE	From:	30/06/2025	To:	30/06/2026

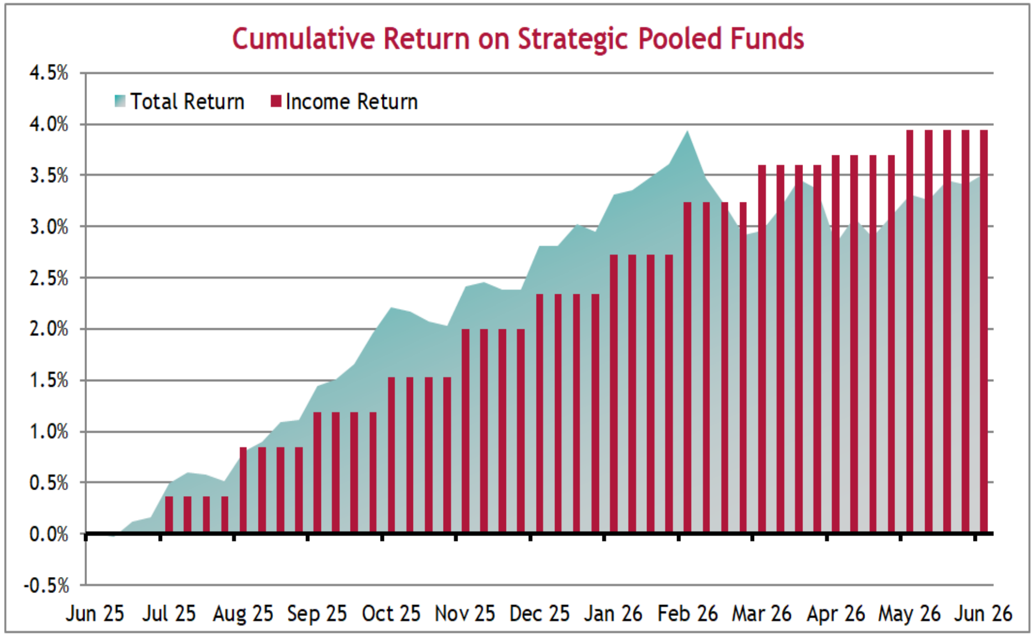
FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility
CCLA - LAMIT PROPERTY FUND	PROPERTY	853,526	2,344,124	-32,178	83,984	1.0	-1.35%	3.53%	2.18%	1.2%
M&G STRATEGIC CORPORATE BOND FUND	BOND	494,241	430,089	-2,718	21,971	1.0	-0.63%	5.08%	4.45%	5.4%
NINETY ONE (INVESTEC) DIVERSIFIED INCOME FUND	MULTI ASSET	955,126	890,750	19,410	39,044	1.0	2.23%	4.48%	6.71%	1.8%
GRAND TOTAL			3,664,963	-15,486	144,999	1.0	-0.42%	3.94%	3.52%	1.4%

Unrealised capital gain since purchase: 134,559

Annualised income return: 3.94%

Average Bank Rate: 3.89%





Capital Programme – Monitoring Report 2026/27

Project Ref:	Project	Budget b fwd	2026/27 Estimate	Forecast Outturn for the year	Actual Expenditure Year to Date
		£	£	£	£
1	**Downs** Peveril Point Stabilisation Scheme	48,875	0	48,875	0
2	**IT-All departments** PC replacement	22,000	0	22,000	0
3	**Green Seafront Scheme** Stabilisation & Regeneration		235,000	235,000	19,870
4	**Capital Grants** Day's Park Community Sports facility	100,500	120,500	100,000	0
5	**Town Hall** Annexe heating system		10,000	6,000	0
6	**Car Parks** Main Beach- Phase 3 & EVCP Installation	0	0	0	0
	Total Capital Expenditure	**171,375**	**365,500**	**411,875**	**19,870**

Project Updates:

1: Downs-Peveril Point Stabilisation Scheme

This scheme has been brought forward from 2025/26. As previously reported Council approved the direct award of the contract to Dorset Council (via the NEC3 TSC.HMEP contract) to undertake surface improvement works on Peveril Point Road for a sum of £48,875, Minute 177 (b) 26 January 2026. Works will now take place in September/October 2026.

Ongoing. Financing -UCRR

2: IT – All Departments

This scheme has been brought forward from 2025/26. Discussions continue regarding the specification of any tender that is issued for the procurement of IT equipment/services. Further discussions regarding investing in digital transformation are also ongoing and how the Council may incorporate this into this project.

Ongoing: Financing – EMR

3. Spa & Seafront- Green Seafront Scheme

At the Council meeting held 17 November 2025, Minute 131 (a) Members approved the appointment of WSP (Collaboration Agreement Schedule #3 with Dorset Council) to deliver the professional services required for the submission of planning applications for both the essential and enhanced Green Seafront Schemes, for the sum of £135k. Further approval (Collaboration Agreement #4) Minute 238 (a) 27 April 2026 was given to appoint WSP for Procurement Strategy and Market Engagement with a budget of £16,745.

Plans have been submitted for both schemes, and a market engagement exercise is due to be undertaken. This project continues to evolve, and updates are provided regularly to Council.

With regards to funding the scheme, Dorset Council approved the allocation of £0.5m of funds from CIL monies and £2.5m in the form of a grant to fund this project.
Ongoing. Financing -EMR/UCRR/CIL/Third Party Grant Funding

4: Capital Grants – Swanage & Herston Football Club or CIO
At its meeting on 28 April 2025, Minute 230, Council approved the allocation of £100,000 of the Community Sports Facility budget towards the installation of the 3G pitch, subject to a robust business plan and lease agreement.

Talks continue as to the best way forward to deliver this project, with the added complexity of repairing works that are required to the building, as noted in Minute 242, 6 May 2026.
Ongoing – Financing – UCRR/Third Party Funding

5: Town Hall – Annexe Heating System
As agreed by the Environment and Green Spaces Committee, Minute 6 of the meeting held on 24 June 2026, quotes are being sought for the installation of a new boiler in the Town Hall Annexe.
Ongoing – Financing - EMR

6: Car Parks – Electric Vehicle Charging Point Installation (for information only)
This project is under review following changes to Dorset Council's Charging Ahead programme.
Ongoing: – Financing - Third Party Contributions

It is noted that at the Environment & Green Spaces Committee meeting held 24 June 2026, Members agreed to submit an application to Low Carbon Dorset for 50% funding for the installation of an Air Source Heat Pump at the TIC, at a total cost of £18,000, Minute 5. This project is dependent upon the application for funding being successful. If the application is successful, then this project will be added to the capital programme.

Alison Spencer - Finance Manager
Martin Ayres-Town Clerk
Gail Percival-Assets and Compliance Manager

July 2026

Statement of Reasonable Expectations

Introduction

This statement sets out the reasonable expectations for partnership working between Parish and Town Councils[1] and Dorset Council.

Dorset Association of Parish and Town Councils (DAPTC) enters into this agreement in its role representing and supporting its member Parish and Town Councils throughout Dorset.

Both parties support a shared commitment to the communities and residents of Dorset. The statement aims to foster better working relationships, enhance democratic representation, and ensure effective service delivery for the benefit of local communities.

1. Mutual Respect and Recognition

   i. Dorset Council recognises Parish and Town Councils as statutory, democratically elected bodies with legislated roles and responsibilities, the power of taxation and a deep understanding of local issues.
   ii. Parish and Town Councils respect Dorset Council's role as the democratically elected Principal Authority in strategic planning and delivery of a range of statutory services across its area.
   iii. Dorset Council also recognises the role played by DAPTC in representing the collective views and interests of most Town and Parish Councils.
   iv. Both parties commit to a spirit of cooperation, valuing each other's contributions and responsibilities, with a view to ensuring an effective and appropriate response to the differing needs and priorities of local places and communities.

2. Communication and Engagement

   i. Dorset Council and Parish and Town Councils will recognise and foster the importance of a constructive and regular working relationship between the Dorset Council Ward Member and the parish meeting, parish council or town council they liaise with. This relationship should be based on openness, mutual respect and timely communication, supporting the effective flow of local knowledge, community priorities and informed decision making.
   ii. Dorset Council will provide best effort provision of timely and relevant updates on policies, projects, and decisions affecting local communities, and will consult

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[1] Parish and Town Councils includes precept raising bodies such as Parish Meetings.

with Parish and Town Councils well before making decisions or policy changes that impact their role and operations or the wellbeing of their place and community.

iii. Parish and Town Councils will share local insights and concerns to inform Dorset Council's decision making by attending regular forums or liaison meetings when established to facilitate open dialogue and exchange of views.
iv. Clear points of contact will be maintained to ensure smooth communication, by all parties.
v. Engagement periods will allow sufficient time for meaningful input, and each party undertakes to consider the other's views and insights before making decisions, to seek clarification where necessary, and provide meaningful feedback.

3. Support and Capacity Building

i. Dorset Council, Parish and Town Councils, and DAPTC will collaborate to identify key areas for guidance and training and determine the most effective methods of delivery. This joint effort will aim to enhance the capabilities of Parish and Town Councils and support the expansion of their role within the local governance framework.
ii. Resources, toolkits, and best practice examples will be shared between the parties to support effective local governance.
iii. Parish and Town Councils will proactively seek opportunities to upskill and enhance their role in service delivery in key areas agreed by both parties, community leadership and engagement.
iv. Parish and Town Councils will develop financial and strategic plans for the short, medium, and longer term to set out their ambitions for the community around them and enhance their role in place management.
v. Elected members for all parties should be supported and trained to understand the benefits of co-working and partnering toward better outcomes for communities they jointly serve.
vi. Development of personnel in Parish and Town Councils, particularly those in senior roles like Clerks, will be encouraged to enable them to undertake broader roles and responsibilities effectively.

4. Collaborative Working

i. Dorset Council, Ward Members and Parish and Town Councils are encouraged to work directly and collaboratively to identify, design and deliver projects that bring mutual benefit to local communities. This includes early engagement on opportunities, transparent sharing of relevant information, and a shared commitment to achieving positive, practical outcomes for residents.
ii. Dorset Council, Ward Members and Parish and Town Councils will work together to identify, explore, and, where mutually agreed, pursue opportunities for joint

initiatives and shared services, and including the transfer or devolution of assets and services.

iii. Partnership working and a problem-solving approach will be adopted to address challenges collectively and improve local service delivery and community outcomes.

iv. Dorset Council will work constructively with Parish and Town Councils to facilitate changes through Community Governance Reviews where these strengthen democratic representation.

v. Greater collaboration between neighbouring Parish and Town Councils will be encouraged to ensure best value asset management and service delivery.

5. Transparency and Accountability

   i. Decisions and actions will be made transparently, with clear explanations provided for major policy changes or service alterations.

   ii. All parties will uphold transparency in their own operations, ensuring local communities are informed and engaged.

   iii. Mechanisms for feedback and review will be in place to assess the effectiveness of collaboration and address any issues constructively.

   iv. This statement will be reviewed jointly on a periodic basis.

Conclusion

This statement represents a shared commitment to strengthening democratic representation and delivering better outcomes for Dorset's communities. By fostering mutual trust, engagement, and cooperation, Parish and Town Councils and Dorset Council can work together effectively to serve the needs of residents.

Signed by

Nick Ireland, Leader of Dorset Council

Date:

KD Johnson, Chair DAPTC Board

Date:

Catherine Howe, Chief Executive Dorset Council

Date:

Neil Wedge, Chief Executive DAPTC

Date: