

# SWANAGE TOWN COUNCIL



## Financial Review Year Ended 31<sup>st</sup> March 2022

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## 1. Introduction & Overview

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

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

## 2. Financial Review

### Revenue Account/Service Provision

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

Service	Net Expenditure	Budgeted Net Expenditure	Variance Year to Date
Car Parks	(578,921)	(358,850)	(220,071)
Boat Park	(41,000)	(13,855)	(27,145)
Public Conveniences	126,365	156,000	(29,635)
Cemeteries	(31,243)	(4,100)	(27,143)
Parks and Operations (incl CCTV)	540,753	637,890	(97,137)
Beach Gardens	15,818	30,170	(14,352)
Beaches/Foreshore	90,590	51,955	38,635
Beach Chalets/Bungalows	(96,974)	(22,835)	(74,139)
Publicity/Tourism	188,319	193,530	(5,211)
Allotments	(6,468)	(5,345)	(1,123)
General Buildings (inc. Caravan park)	(78,113)	(58,730)	(19,383)
Central services to the public:	329,066	360,950	(31,884)
Democratic & Corporate Management	72,027	85,555	(13,528)
Grants & Donations	13,744	21,700	(7,956)
<b>Net Cost of Services</b>	543,963	1,074,035	(530,072)
Interest payable and similar charges	4,689	4,250	439
Interest and investment income	(165,750)	(160,000)	(5,750)
<b>Net Operating expenditure</b>	382,902	918,285	(535,383)
Other Movements on the General Fund	351,246	(180)	351,426
<b>Amount to be financed:</b>	734,148	918,105	(183,957)
<b>Financed by:</b>			
Grants/Donations/Contributions	(17,753)	(3,000)	(14,753)
Community Infrastructure Levy	(47,840)	0	(47,840)
Precept on Dorset Council	(747,040)	(747,040)	0
<b>Total Financing:</b>	(812,633)	(750,040)	(62,593)
<b>(Surplus)/Deficit for the Period</b>	(78,485)	168,065	(246,550)

## FINANCIAL REVIEW 2021/22

2021/22 was another extraordinary year, with the impact of the pandemic continuing to make itself felt in a variety of ways. In these circumstances, budget monitoring and predicting a likely out-turn figure in-year continued to carry significant uncertainty. Most importantly for a coastal resort such as Swanage, ongoing restrictions on overseas travel led to an increase in visitors to the town, which gave an unforeseen boost to many of the Council's sources of income. This report will assess the impact of these unprecedented circumstances on the Council's financial performance as of 31<sup>st</sup> March 2022.

During 2021/22 the net expenditure on Town Council services, taking into account all revenue income and expenditure, was £382,902, this being £535,383 less than budgeted. The Council received a total of £747,040 in Precept, together with grants, donations and other contributions of £65,593. It also contributed a net sum of £351,246 to its earmarked reserves to fund specific projects. Overall, this resulted in a surplus on the General Fund for the year of £78,485.

The Town Council has three principal sources of income: the Council Tax Precept, car parking revenue and investment income. During 2021/22 these together generated income of £1.76 million, compared to £1.4 million in 2020/21. This constituted almost three-quarters of the Council's total revenue of £2.39 million.

A total of £747,040 was raised through the parish precept in 2021/22, an increase of 2 per cent from the previous financial year. Individual household bills increased by 2.2 per cent due to a small decrease in the tax base for a fourth consecutive year.

Car parking income significantly exceeded budget, bringing in £220,000 more than anticipated. This constitutes the Council's largest variance by far. During the spring, visitor numbers were comparable with pre-pandemic levels, but between June and October they were 45 per cent higher than in 2019.

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

The impact of the larger number of visitors to the town could be seen across most of the Council's sources of seasonal income, with significant variances against budgets which were set in January 2021 and factored in the risk of further lockdowns. This is most starkly seen in beach hut income which was more than twice the budgeted amount. The variance of £74,139 reflects both a low budget and the highest occupancy levels seen for many years.

A similar pattern can be seen at the boat park and Beach Gardens, with higher than anticipated income far exceeding modest budgets. Expenditure was also less than planned at both locations. At the Tourist Information Centre, income was a little under budget but this was offset by lower than budgeted spending. The only significant negative variance related to the beaches and foreshore budget, largely due to significant, unbudgeted expenditure, £33,500, on emergency repairs carried out to the slipway off the Stone Quay following storm damage.

In relation to community facilities, deferral of planned maintenance work at Burlington Chine public toilets and Northbrook Cemetery wall contributed to significant positive variances in the cemeteries and public conveniences budgets. In respect of the allotments, lower than anticipated expenditure, largely relating to the water bill, contributed to a much smaller positive variance.

## FINANCIAL REVIEW 2021/22

Parks and Operations is the Council’s largest budget, and produced the second largest variance of £97,137 (15.2 per cent). Approximately one-third of this relates to lower employee costs, principally in connection with a long-running staff vacancy. Underspends of up to £8,000 across a range of budgets explains most of the remainder, together with higher income resulting from a rent review and increased overflow car parking.

The variance in relation to the General Buildings/Downs and Miscellaneous Grounds budget is largely the result of the deferral of planned works on the Downs to install noticeboards relating to the new Local Nature Reserve and repair the World War Two lookout.

Central Services costs were under budget, by approximately £32,000, largely due to lower staff costs and underspends in areas such as legal and professional fees. Likewise, Democratic Representation and Management costs were under budget by approximately £13,500, resulting from underspends on publicity and civic expenses, and a delay in appointing an environmental consultant. Grants & donations were a further £8,000 underspent. Further information regarding this is set out on page 15 of this report.

Overall, the combination of higher than anticipated income and underspends across a range of budgets resulted in a surplus on the General Fund for the year of £78,485. This compares with an anticipated annual deficit of £168,065 at budget setting. The overall outcome at 31<sup>st</sup> March 2022 is a General Fund Balance of £896,577, leaving the Council well-placed to withstand further financial uncertainty in the months ahead, as inflation continues to rise and the cost-of-living crisis bites.

### Capital Programme and Planning

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

Table 1 below summarises the actual capital expenditure for the 2021/22 financial year and how this was financed.

*Table 1: Capital expenditure and source of financing 2021/22*

	Funded from Capital Receipts £	Funded from Earmarked Reserves £	Funded from General Fund £	External Funding £	Total Cost £
<b>Land &amp; Buildings</b>					
Godlingston Cemetery Extension - WIP	225,855	-	-	-	<b>225,855</b>
<b>Vehicles, Plant &amp; Equipment</b>					
Trevor Chadwick Play Area	-	9,800	-	-	<b>9,800</b>
King Georges Play Area - WIP	-	3,430	-	50,000	<b>53,430</b>
Shore Road Festive Lights	16,647	-	-	-	<b>16,647</b>
<b>TOTAL</b>	<b>242,502</b>	<b>13,230</b>	<b>-</b>	<b>50,000</b>	<b>305,732</b>

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

**Godlingston Cemetery Extension:** Project management costs were initially incurred in 2020/21, with TGMS having been appointed to manage the project. In May, following a tender exercise Suttle Projects Ltd were awarded the contract for the construction of the extension to Godlingston Cemetery. During 2021/22, expenditure of £10,030 was incurred for project management costs, with £215,825 of construction costs. The project has rolled over into the 2022/23 financial year with only minor works outstanding.

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

**Trevor Chadwick Play Area (formerly Recreation Ground):** Following the installation of the play equipment in December 2020 at the Recreation Ground play area this project subsequently rolled over into the 2021/22 financial year with further groundworks being required to eradicate pooling of water. Works to install drainage and wetpour surfacing completed the project in May 2021, costing £9,800.

**King George's Play Area:** A contract was awarded to Sutcliffe Play following a tender exercise, with works starting in February 2022. It was initially expected that works would be completed in March 2022, however, the project has rolled over to the 2022/23 financial year. Project costs to date are £53,430, with £3,430 being met from the play area earmarked reserve and £50,000 from a COMF 116 grant from Dorset Council.

**Festive Lights – Shore Road:** A contract for the supply and installation of festive lights on Shore Road was awarded in March 2021 to the Festive Lights Co. and WGS Power & Lighting, respectively. Works were completed in May 2022 costing a total of £16,647.

### **Capital Grants**

The Council authorised payment of one capital grant of £66,300 during the year. This was issued to the Swanage & Purbeck Development Trust, on behalf of Swanage & Herston Football Club, in order to fund the installation of floodlights at the football club in Day's Park. This was financed from the Community Infrastructure Levy (CIL) reserve.

### **Treasury Management**

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

The Council continues to maintain its objective of the security of capital over yield, within the parameters as set out in the Treasury Management Strategy Statement 2021/22 and upon advice given by Arlingclose. The Council has continued to maintain a relatively diverse investment portfolio, given the size of its balances, throughout the course of the 2021/22 financial year, utilising accounts with Lloyds Bank, the UK Government, with both term deposits and Gilts, Money Market Funds and pooled funds.

Short-term investment activity has been minimal during the year, with movements of cash equivalents and the redemption of a term deposit held with the UK Government being the main activity. The impact of Covid-19 was felt by markets throughout the majority of the year, with yields reduced to extremely

low levels. Interest rates were raised in December 2021 to 0.25%, in February 2022 to 0.5% and again in March to 0.75%, which has resulted in higher returns towards the end of the financial year, averaging 0.22%.

With regards to long-term investments (strategic investments) the Council continued to maintain the units held in the CCLA LAMIT property fund, the Ninety-One Diversified Income Fund and the M&G Strategic Corporate Bond Fund. In accordance with the *Practitioner's Guide*, long-term investments are recorded in the asset register (and included in Box 9 of the AGAR section 2) at the original cost of acquisition this being £2.5m, £1m and £0.5m respectively. In addition to these investments, the Council also held an investment with the UK Government, UK Gilts, which are classed as a long-term investment, with £452,108 being held at year-end. In recognition of the fact that the value of long-term investments will change over time, the market value of the long-term investments held by the Council are noted in the Fixed Asset Register. For the four long term investments held by the Council these are £3,580,092, £919,299, £469,529 and £452,528 at 31<sup>st</sup> March 2022, a total of £5,421,448, with unrealised gains of £969,340 overall.

In terms of income generation, the pooled funds have continued to perform well, realising an annualised yield of 3.88%, 4.10% and 2.44% respectively 3.78% overall, based upon market value rather than book value.

The net return on the Council's investments had been estimated at £160,000, with an actual outturn of £165,750 being realised at year end.

The Council's Annual Treasury Report 2021/22, which gives a more in-depth review, has been published separately. A summary of investments held at 31<sup>st</sup> March 2022 can be found on page 13.

### **Earmarked Reserves**

The Council's Earmarked Reserves were established in order to build up funds to meet anticipated future expenditure as identified in the capital programme and risk register. The Council's Reserves and Balances Policy was reviewed during the course of the year, as part of the process for setting the Council's budgets for the 2022/23 financial year.

In 2021/22 a contribution of £378,845 was made from the general fund to various earmarked reserves. Conversely £27,599 of earmarked reserves were utilised to finance revenue expenditure. The majority of this financing was made from the deferred committed expenditure reserve which was established in 2019/20 due to the large number of projects that had not been completed at year end. At the end of 2021/22 this reserve held £94,100, being the budgeted cost of projects that were outstanding at 31<sup>st</sup> March 2022. If this expenditure is not met in 2022/23 the funds held in the reserve will be appropriated back to the general fund.

The Community Infrastructure Levy (CIL) Reserve also received contributions of £47,840. This reserve holds funds raised by Dorset Council from the CIL in order to meet expenditure in accordance with Community Infrastructure Levy Regulations 2010, Regulation 59C. During 2020/21, £66,300 of this reserve was utilised to finance a capital grant to Swanage & Purbeck Development Trust for the

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installation of floodlights at Swanage & Herston Football Club, as per Regulations. At the end of the 2021/22 financial year, £172,701 was held in the CIL reserve.

During the course of the year, capital expenditure totalling £13,230 (excluding CIL transactions) was financed from earmarked reserves with £9,800 financing the works to The Trevor Chadwick play area and £3,430 to part finance the installation of play equipment at the King George's play area.

With an opening balance of £2,191,043 a net increase in the year of £271,716 has resulted in a balance of £2,462,759 being held at 31<sup>st</sup> March 2022. An addition to the earmarked reserves was the establishment of an Environmental Projects reserve, holding £5,000 at year-end. The majority of earmarked reserves have been established to fund the Council's future capital programme. The notable exception being the unspent committed expenditure reserve.

The Council's Usable Capital Receipts Reserve (UCRR) saw a reduction of £242,502 in the year with this expenditure financing capital projects. £225,855 was utilised to finance the Godlingston cemetery extension and £16,647 financed the installation of the festive lighting on Shore Road. The Council carries forward a balance of £2,256,284 in its UCRR into the next financial year.

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

### **3. Accounting Statements**

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

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

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

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

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

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

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

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

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

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

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

#### **Accounting Policies**

Section 2 of the Annual Governance and Accountability Return summarises the Council's transactions for the 2021/22 financial year and its position at 31<sup>st</sup> March 2022. The statement of account has been prepared following guidance given in *Governance and Accountability for Smaller Authorities in England: A Practitioners' Guide to Proper Practices March 2021 (England)*.

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

<b>The Annual Return - Income &amp; Expenditure</b>				
<b>2020/21</b>			<b>2021/22</b>	
£	£		£	£
	1,756,070	<i>Reserves &amp; Balances brought forward - Box 1</i>		1,507,920
		<b>Income</b>		
	732,390	<i>Precept - Box 2</i>		747,040
482,441		Rental, Interest & Investment Income	566,151	
547,306		Charges made for Services	824,827	
366,304		Other Income or Contributions	255,238	
10,255		Capital Receipts/Investments/Capital Grants	53,938	
	1,406,306	<i>Total Other Receipts - Box 3</i>		1,700,154
		<b>Expenditure</b>		
		<i>Salaries and Wages</i>		
(668,851)		Direct Service Costs	(699,062)	
(227,054)		Democratic, Management and Civic Costs	(219,648)	
	(895,905)	<i>Total Staff Costs - Box 4</i>		(918,710)
	0	<i>Loan interest/capital repayments - Box 5</i>		0
		<i>Other Costs</i>		
(927,961)		Direct service costs	(828,068)	
(16,576)		Grant and donations	(13,744)	
(199,809)		Democratic, Management and Civic Costs	(203,004)	
(246,595)		Capital Expenditure	(305,732)	
(100,000)		Capital Grants	(66,300)	
0		Long Term Investments	(456,046)	
	(1,490,941)	<i>Total Other Costs - Box 6</i>		(1,872,894)
	<u>1,507,920</u>	<i>Reserves &amp; Balances carried forward - Box 7</i>		<u>1,163,510</u>

<b>Bank Reconciliation for year ended 31st March 2022</b>			
	£	£	Note
<b>Bank Accounts</b>			
Current	14,986		
Call Account	519,441		
<i>add</i>			
outstanding receipts	3,501		
<i>add</i>			
petty cash	<u>475</u>		
Total Cash and Bank		538,403	
<b>Short Term Investments</b>			
MMF-PSDF	250,000		
MMF-Abrdn	<u>500,000</u>		
Total Short Term Investments		750,000	6
<b>Total Cash and Short Term Investments – Box 8</b>		<b><u>1,288,403</u></b>	

### Reconciliation of Reserves to Cash

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

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

2020/21 £		Note	2021/22 £
1,507,920	Box 7 - Balances carried forward		1,163,510
(166,613)	(-) Debtors	1	(168,330)
375,777	(+) Creditors	2	293,223
1,717,084	(=)Box 8 - Total cash and short term investments		1,288,403

### Tangible Fixed Assets and Long Term Investments

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

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	Operational Assets				Non-Operational Assets		Total
	Land & Buildings	Vehicles, Plant & Equipment	Infra-structure	Community	Assets Under Construction	Investment Properties	
<b>Tangible Fixed Assets- Cost or Valuation</b>	£	£	£	£	£		£
As at 1 April 2021	7,605,312	752,383	17,105	36,594	4,490	600,000	9,015,884
Additions/Enhancements	0	26,447	0	0	279,285	0	305,732
Reclassifications	0	0	0	0	0	0	0
Gifted Assets	0	0	0	2	0	0	2
Disposals	0	(134,461)	0	0	0	0	(134,461)
As at 31 March 2022	7,605,312	644,369	17,105	36,596	283,775	600,000	9,187,157
<b>Long Term Investments- Cost</b>							
As at 1 April 2021							4,000,000
Additions							456,046
Redeemed							(3,938)
As at 31 March 2022							4,452,108
<b>Total Fixed Assets and Long Term Assets – Box 9</b>							<b>13,639,265</b>

## Long Term Borrowing

2020/21 £	Analysis of Loans - PWLB	2021/22 £
0	Balance brought forward	0
0	Principal paid in year ( <i>Box 5</i> )	0
0	<b>Total Outstanding – Box 10</b>	0

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

## Notes

### 1. Debtors

2020/21 £	Amounts falling due in one year :-	2021/22 £
38,377	HMRC-VAT	15,865
98,202	Sundry Debtors	107,732
(10,000)	Provision for Bad/Doubtful Debtors	(15,000)
32,893	Payments in Advance	51,319
7,141	Stock	8,414
166,613	<b>Total</b>	168,330

In reviewing the level and type of aged debts at the end of the financial year, provision was increased by £5,000 accordingly.

## 2. Creditors

2020/21		2021/22
£		£
244,362	Sundry Creditors	113,860
131,415	Receipts in Advance	179,363
<u>375,777</u>		<u>293,223</u>

The value of creditors in 2020/21 included a sizeable provision of £145k for the payment of works carried out on the car parks and as such is significantly higher than that at the end of 2021/22. The increase in monies received in advance of the next financial year mainly relates to prepaid Beach Hut rentals.

Movement of Reserves				
	Balance 1 April 2021	Net movement in year	Balance 31 March 2022	Note
	£	£	£	
General Fund	818,092	78,485	896,577	3
Earmarked Reserves	2,191,043	271,716	2,462,759	4
Usable Capital Receipts Reserve	2,498,786	(242,502)	2,256,284	5
Total	<u>5,507,921</u>	<u>107,699</u>	<u>5,615,620</u>	

This table details changes during the year in the Council's reserves. It provides opening and closing balances and details of any movements on the reserve. The total of the reserves held differs from the AGAR section 2 total in Box 7 due to the treatment of the £4.45m long term investments that the council holds in Gilts and pooled funds. Following the *Practitioner's Guide*, when any Long Term Investments are entered into they are shown to be expensed through Box 6 thus reducing the total in Box 7. However, under statute this investment is not classified as capital expenditure and is merely a movement of cash from a short term investment to a long term investment and as such has not been shown as being expensed from a reserve.

## 3. The General Fund

2020/21		2021/22
£		£
699,013	General Fund Balance brought forward	818,092
88,191	Net Surplus or (Deficit) for Year	429,731
(23,377)	Financing Capital Expenditure	0
54,265	Transfers (to)/from Earmarked Reserves	(351,246)
<u>818,092</u>	General Fund Balance carried forward	<u>896,577</u>

The general fund balance is the Council’s “working balance” and states the cumulative surplus (or deficit) on the Council’s income and expenditure account. The Council has seen an increase of £78,485 on the general fund in the year, comprising of a net surplus of £429,731 for the year, less a net transfer from the general fund to earmarked reserves of £351,246.

#### 4. Earmarked Reserves

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

<b>Earmarked Reserves</b>	<b>Balance 31/03/2021 £</b>	<b>Additions to Reserve £</b>	<b>Cap Ex f'd from reserves £</b>	<b>Rev Ex f'd from Reserve £</b>	<b>Balance 31/03/2022 £</b>
Vehicle & Plant Replacement	0	10,000	0	0	10,000
King Georges Play Area & Skate Park	93,017	0	(3,430)	0	89,587
Play Equipment-General Areas	11,206	10,000	(9,800)	0	11,406
Car Park Machines	26,748	7,500	0	0	34,248
Tennis Courts Refurbishment	4,967	4,665	0	0	9,632
Seafront Enhancement Scheme	1,134,557	200,000	0	0	1,334,557
Community Sea Defence Project	450,000	0	0	0	450,000
Public Conveniences	50,000	50,000	0	0	100,000
Beach Huts Reserve	55,000	10,000	0	0	65,000
Football Club Facilities	6,958		0	0	6,958
De Moulham Back Roads	27,815	2,000	0	(8,409)	21,406
Insurance & Contingency Reserve	40,000	0	0	0	40,000
Community Infrastructure Levy	191,161	47,840	(66,300)	0	172,701
IT Equipment Reserves	13,164	5,000	0	0	18,164
Environmental Projects	0	5,000	0	0	5,000
Committed Expenditure Deferred	86,450	26,840	0	(19,190)	94,100
<b>Total</b>	<b>2,191,043</b>	<b>378,845</b>	<b>(79,530)</b>	<b>(27,599)</b>	<b>2,462,759</b>

During the year a contribution of £378,845 was made to earmarked reserves from the General Fund, while £27,599 of revenue expenditure was financed from reserves, a net appropriation of £351,246. A further £79,530 of reserves was utilised to finance capital expenditure. This has resulted in a net increase of £271,716 in Earmarked Reserves.

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

The UCRR holds the proceeds of the sale of fixed assets and can only be used in accordance with regulations. The Council utilised £242,502 during the course of the year to finance capital expenditure. No capital receipts were received, resulting in a balance of £2,256,284 being held at the end of the year.

2020/21 £		2021/22 £
2,514,051	Balance brought forward	2,498,786
0	Capital receipts	0
	Less:	
(15,265)	Capital receipts used for financing Assets	(242,502)
0	Capital Grants	0
<u>2,498,786</u>	Balance carried forward	<u>2,256,284</u>

## 6. Treasury

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

Counterparty	Principal	Maturity Date	Rate
Lloyds Bank-Call Account	£519,441	n/a	0.01%
Lloyds Current Account	£14,986	n/a	0.00%
Abrdn Money Market Fund	£500,000	n/a	v
CCLA-Public Sector Deposit Fund	£250,000	n/a	v
<b>Total Short Term Investments–(incl. in Box 8)</b>	<b>£1,284,427</b>		
CCLA-LAMIT Property Fund	£2,500,000	n/a	3.88%
M & G Strategic Corporate Bond Fund	£500,000	n/a	2.44%
Ninety One - Diversified Income Fund	£1,000,000	n/a	4.10%
UK Government - UK Gilt	£452,108	07/09/2022	0.46%
<b>Total Long Term Investments–(incl. in Box 9)</b>	<b>£4,452,108</b>		
<b>Total Investments held @ 31<sup>st</sup> March 2022</b>	<b>£5,736,535</b>		

The Council held four short term investments at 31<sup>st</sup> March 2022. It held two investments in Money Market Funds, one with the CCLA Public Sector Deposit Fund (a qualifying MMF) and one with Aberdeen Standard Investments (Abrdn). The investments held with the MMFs have a variable rate of return. A further £519k was held in a Lloyds commercial call account, with £15k held in the Council's current account. All short-term investments return the capital sum invested plus interest.

The Council continued to maintain its units held in the CCLA LAMIT property fund, the M&G Strategic Corporate Bond Fund and the Ninety-One Diversified Income Fund valued at £2.5m, £0.5m and £1m respectively in the Annual Return. The Council invested in UK Gilts during the year, which are classified as a long-term investment in the Practitioner's Guide, with £452k held at year end. The total of long -term investments, £4.452m is included in Box 9 on the Annual Return.

## 7. Trust Funds – Box 11

The Council acts as Corporate Trustee for three Charitable Trusts. The Income & Expenditure for the year to 31<sup>st</sup> March 2022 for these trusts is:

	Income £	Expenditure £	Net Gain/(Loss) £
De Moulham Trust <i>Established in 1990 as a gift of land and holding of Trust land covenants</i>	52,510	0	52,510
James Day Trust (Day's Park) <i>Gift of pleasure grounds</i>	0	0	0
King George's Field <i>Deed of dedication entered into 5<sup>th</sup> May 1951</i>	0	0	0

**Charitable Funds held by Trusts:**

	Balance 1 April 2021 £	Net Contributions to/(from) Fund £	Balance 31 March 2022 £
De Moulham Trust	28,033	52,510	80,543
James Day Trust	0	0	0
King George's Field	0	0	0

The status of the James Day Trust is currently under review by the Council, with no activity to report. No funds are held by the James Day Trust, registered as Gift of Public Pleasure Grounds and the Council does not hold any funds relating to the Trust in its bank account. Discussion is underway with regards to Lloyds Bank (Private Banking) retiring as the Trustee of the overarching James Day Will Trust from which income and expenditure has previously been transacted. At 31<sup>st</sup> March 2022, £44.90 was held in the James Day Will Trust income account administered by Lloyds Bank (Private Banking).

**8. Pension**

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

Following an Actuarial Valuation by the scheme's fund actuary, Barnett Waddingham, the rate payable for the three financial years 2019/20 to 2021/22 has been set at 22% of pensionable pay. In 2021/22 the Council paid an employer's contribution of £139,519 into the Dorset County Council superannuation fund (a total of £141,148 in 2020/21). In addition, the Council is responsible for all pension payments relating to added years benefits it has awarded to former employees who have retired early, together with the related increases. In 2021/22 these amounted to £2,346 (£2,458 in 2020/21).

**9. Grants & Donations**

The following grants and donations were issued during the 2021/22 financial year.

<b>Grants &amp; Donations - Issued</b>		
<i>General Power of Competence, Localism Act, 2011</i>	£	£
<i>Revenue Grants</i>		
2185 Air Training Corps – return of grant issued in 2020/21	(500)	
S.Town & Herston Football Club (Vodafone)	3,950	
DCC – Swanage First School Crossing Patrol	3,746	
Swanage & Purbeck Development Trust-Greengage	368	
Swanage & Purbeck Development Trust-Greengage	500	
Life Education Wessex	430	
Purbeck Art Weeks	500	
Swanage Community Defibrillator Partnership	250	
Parkrun	500	
Durlston Community Bus	3,000	
Purbeck Citizens Advice Bureau	1,000	13,744
<i>Capital Grants</i>		
Swanage & Purbeck Development Trust - S&HFC Floodlights		66,300
<b>Total</b>		<b>80,044</b>

The following grants were received during the 2021/22 financial year.

<b>Grants Received</b>		
<i>Revenue grants</i>		
	£	£
Dorset Council - Re-opening High Streets - Town Film	2,000	
Dorset Council - Welcome Back Fund - Street Cleansing	1,091	
Dorset Council - Welcome Back Fund - Seafront Advisors	10,147	
Dorset Council - Welcome Back Fund - Visitor Services	1,515	14,753
<i>Capital Grants</i>		
Dorset Council - COMF 116 Fund - King Georges Play Area		50,000
<b>Total</b>		<b>64,753</b>

## 10. Audit Fees

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

## FINANCIAL REVIEW 2021/22

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

2020/21		2021/22
£		£
2,400	Fees payable to the external auditor appointed by the SAAA	2,400
0	Adjustment on previous years audit fees	0
<u>2,400</u>		<u>2,400</u>

### 11. Items for Consideration

Any events after the year end, 31st March 2022, have been considered up to the date of the Annual Return, 25<sup>th</sup> May 2022. There are no items to report which may have an effect upon the Annual Return.