

Minutes of the **FINANCE AND GOVERNANCE COMMITTEE**  
held at the Town Hall, Swanage on **WEDNESDAY**  
**10<sup>th</sup> JANUARY 2024** at 9.30 a.m.

PRESENT:- Councillor T Foster (Town Mayor) – Chair

Councillor J Bishop  
Councillor M Bonfield (to 10.00 a.m.)  
Councillor C Moreton  
Councillor C Tomes  
Councillor W Trite  
Councillor M Whitwam

Also in attendance: -

Dr M Ayres	Town Clerk (from 9.35 a.m.)
Mr C Milmer	Visitor Services and Business Development Manager
Ms G Percival	Assets & Compliance Manager
Miss A Spencer	Finance Manager

In addition to Members of the Council and Officers, five members of the public attended the meeting.

### **Public Participation Time**

The following matters were raised during Public Participation Time:-

- Agenda item 3 (a)(i) Private Sites Beach Hut fee - three members of the public spoke of their concern at the proposed increase in the licence fee for 2024/25 and questioned some of the content of a briefing paper that had been circulated prior to the meeting. A request was made for further background information. The Committee were asked why there was no reserve allocated for the replacement of the beach hut staging.
- Agenda items 3 and 4 – a fourth member of the public objected to the timing of the circulation of the briefing note on the private site fee. In light of the Council's actions to generate additional income from the introduction of new seafront concessions, the Committee was asked why there had been no attempt to replace the ice cream kiosk on the beach nearest the Mowlem. Concern was also raised over the council's approach to managing its aged debts and a perceived lack of transparency in this matter.

In response to some of the language used whilst making this contribution, a request was made for future contributions to be made in a respectful manner. Attention was also drawn to the large amount of information about the Council's finances that was available online.

1. **Apologies**

Apologies for her inability to attend the meeting were received from Councillor Harris.

2. **Declarations of Interest**

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

**Agenda Item No. 3 (a)(i)** – Councillor Bonfield declared a non-pecuniary interest in the scale of charges under the Code of Conduct by reason of being employed as a taxi driver and hiring a grid space in the boat park.

**Agenda Item No. 3 (a)(i)** – Councillors Bishop and Bonfield declared non-pecuniary interests in the scale of charges under the Code of Conduct by reason of being regular hirers of Town Council beach huts.

**Agenda Item No. 3 (a)(i)** – Councillor Tomes declared a non-pecuniary interest in the scale of charges under the Code of Conduct by reason of close family members being private beach hut site licensees.

3. **Budget Setting 2024/25 – To Review:**

(a) **Draft Estimates 2024/25**

The Town Clerk and Responsible Finance Officer introduced the Preliminary Budget Report 2024/25, which was the culmination of extensive work over recent months through finance workshops and formal committee meetings.

i. **Scale of Fees and Charges 2024/25**

Consideration was given to a draft scale of fees and charges for the Council's services for the 2024/25 financial year. The Chair agreed to the discussion of the Private Site Licence Fee for 2024/25 in the first instance due to Councillor Bonfield, who was the lead councillor in discussions with the Private Site Beach Hut Owners' Association, having to leave the meeting at 10.00 a.m.

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

Councillor Bonfield reported on a meeting with a number of private site licensees that he had attended with officers on 3<sup>rd</sup> January 2024, to review the proposed uplift in the licence fee for 2024/25 and issues relating to the application of VAT and charges for business rates. The need to improve communication with licensees, particularly in respect of the distribution email address was acknowledged.

It was noted that the issues regarding VAT and business rates were ongoing and were unlikely to be resolved in the immediate future. Dorset Council had been contacted regarding the possibility of direct billing of business rates to licensees. It was noted that the final decision regarding the fee would be made on 15<sup>th</sup> January, with any representations to be made prior to this meeting for consideration. It was further stated that Officers would continue to work on the matter and seek further advice. Clarification was provided that if there were to be any change to the rateable value or application of VAT after invoices had been raised the licensees would receive an appropriate refund.

In acknowledgment of many of the comments made by the site licensees during public participation time, the Town Clerk stated that the briefing note circulated prior to the meeting had sought to place the setting of the licence fee within the wider financial context of the Council's operations. It was proposed by Councillor Bonfield and seconded by Councillor Bishop:

**TO RECOMMEND** to the Estimates meeting on 15<sup>th</sup> January 2024:

To accept the recommendation of the Tourism & Local Economy Committee to increase the licence fee for private beach hut sites to £495 p.a. (incl. VAT) for the 2024/25 financial year, subject to the fee being reviewed: i) if Dorset Council advises that beach hut owners should be

individually rated; ii) if there is any change in the rateable value and/or; iii) in light of further advice regarding the application of VAT.

Councillor Bonfield left the meeting at 10.00 a.m.

Upon being put to the meeting the Proposition was CARRIED UNANIMOUSLY.

Councillor Tomes re-entered the meeting.

Members considered the remaining scale of fees & charges. It was noted that the beach hut charges had previously been agreed by Council and were excluded from the process. Attention was drawn to the proposed increase in car parking charges.

It was proposed by the Town Mayor and seconded by Councillor Tomes:

**TO RECOMMEND** to the Estimates meeting on 15<sup>th</sup>

January 2024:

That the Scale of Fees and Charges, Appendix G of the Preliminary Budget Report, be approved and adopted.

Upon being put to the Meeting FIVE Members voted IN FAVOUR of the Proposition and there was ONE ABSTENTION, whereupon the Proposition was declared CARRIED.

**ii. Revenue Budgets 2024/25**

Consideration was given to the draft Revenue Budget summarised in Appendix A of the Preliminary Budget Report, incorporating expenditure shown in Appendix B.

The most significant components of the revenue budget had been outlined in the budget report. It was noted that the future of the Sustainable Swanage Officer post was still uncertain but was retained in the budget at £20k for 2024/25. The Town Clerk requested that Members raise any other matters for consideration so that any amendments could be worked through prior to the Estimates meeting. None were raised.

It was proposed by Councillor Bishop and seconded by Councillor Whitwam:

**TO RECOMMEND** to the Estimates meeting on 15<sup>th</sup>

January 2024:

That the draft revenue budget 2024/25, Appendix A & B of the Preliminary Budget Report, be approved and adopted.

Upon being put to the Meeting, FIVE Members voted IN FAVOUR of the Proposition, and there was ONE ABSTENTION, whereupon the Proposition was declared CARRIED.

**iii. Capital Programme 2024/25**

Consideration was given to the draft Capital Programme 2024/25 to 2026/27, set out in Appendix D to the Preliminary Budget Report. The impact of the Green Seafront Stabilisation Scheme was once again highlighted, with this project consuming Council reserves over the coming years.

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

**TO RECOMMEND** to the Estimates meeting on 15<sup>th</sup> January 2024:

That the draft Capital Programme 2024/25, Appendix D of the Preliminary Budget Report, be approved and adopted.

iv. **Precept 2024/25**

Referring to pages 18 & 19 of the Preliminary Budget Report, the Town Clerk reported that an uplift of 3.5% in the precept levied had been incorporated into the draft estimates as presented. This was a recommendation from the Finance & Governance Committee held on 13<sup>th</sup> December 2023. The impact of this recommendation had been reviewed at a workshop held on 3<sup>rd</sup> January 2023. It was noted that a 3.5% precept increase equated to a 2.98% increase in a Band D property charge increase, £5.13 per annum. The impact upon households was discussed with any decision to increase bills not taken lightly.

It was proposed by Councillor Trite:

That the Town Clerk be asked to identify a range of savings in order that the Council has no need to increase the precept for the 2024/25 financial year.

On a point of order, the Chairman was advised that this proposal was incompatible with the Committee already having agreed to recommend the revenue budgets to the Council for approval. Councillor Trite asked that he nevertheless be permitted to seek a seconder for his proposal and the Chairman agreed. Upon being put to the meeting no seconder was forthcoming. Further discussion ensued, during which attention was drawn to the impact of inflation over recent years and the Council's ongoing commitment to funding the projects and priorities set out in the Corporate Plan. It was proposed by Councillor Tomes, seconded by Councillor Bishop and RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 15<sup>th</sup> January 2024:

That the Council approves a precept of £878,750 for the 2024/25 financial year, equivalent to a Band D bill of £177.14, an increase of 2.98%/£5.13 on the current year's charge.

(b) **Reserves Policy**

Consideration was given to the Council's Reserves Policy, last revised and adopted 16<sup>th</sup> January 2023. It was reported that the following revisions had been made to the draft revised policy document, namely:

- Section 3. Policy. This section was updated with the current JPAG Practitioners' Guide recommendation for the General Reserve level.
- Earmarked Reserves – Community Sea Defence Project Reserve, the policy for use was clarified.
- Earmarked Reserves – Football Club Facilities was reinstated for the purpose of holding funds relating to the back rent from the Vodafone Mast at Day's Park.
- Earmarked Reserves – Treasury Risk Management Reserve was included, as agreed by the Finance & Governance Committee, to hold income received above budget in order to offset any potential capital losses from strategic investments.

The possibility of creating a Private Sites Staging earmarked reserve was noted, following representations in public participation time, and would be reviewed in the following financial year.

It was reported that earmarked reserve balances of £2.6m were forecast for year-end. However, the depletion of reserves over the forthcoming years, used to finance the Green Seafront Stabilisation Scheme, was highlighted with the need to address reserve levels a priority in the next financial year.

It was proposed by Councillor Bishop, seconded by Councillor Trite and  
RESOLVED UNANIMOUSLY:

**TO RECOMMEND** to the Estimates meeting on 15<sup>th</sup>  
January 2023:

That the revised Reserves Policy be approved and  
adopted.

**4. Internal Audit Report 2023/24 – Visits 1&2 of 5**

The first Internal Audit Report of the 2023/24 financial year prepared by Darkin-Miller – Chartered Accountants was submitted for information. It was noted that the format had been changed from previous years, with only medium and high recommendations being reported to Committee, as agreed.

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

- Proper Bookkeeping
- Risk Management (minute review) - work in progress
- Income
- Exemption
- Transparency – work in progress
- Public rights
- Publication
- Car Park Income

A total of two medium level recommendations had been made. It was reported that the two older debts as mentioned in the report, were being managed. It was  
AGREED:

That the first Internal Audit Report for the 2023/24  
financial year be accepted.

**5. Items of Information and Matters for Forthcoming Agendas**

The following matters were listed as items for forthcoming agendas.

- a) Civility and Respect Pledge – the need for respect not only from Councillors but also from those who engage with the Council was highlighted.
- b) Vexatious Correspondence Policy - a date for a meeting of the Working Party would be organised for January 2024.
- c) Medium Term Financial Plan 2024/25 to 2026/27 - it was noted that a draft plan would be taken to the Council meeting on 29<sup>th</sup> January 2024.
- d) Update on Action Points from Internal Audit Report 2022/23

**8. Date of next meeting**

The date of the next scheduled meeting was noted as 21<sup>st</sup> February 2024.

The meeting concluded at 10.40 a.m.

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