



Mid-year Precept + Budget Report

September 2020

Morecambe Town Council

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PRECEPT

INTRODUCTION

The precept is an amount collected by Lancaster City Council on behalf of Morecambe Town Council and is budgeted by Morecambe Town Council to meet the needs of the community.

CALCULATION

S.78 Localism Act 2011 states:

- (2) *The local precepting authority must calculate the aggregate of –*
- a) The expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year in accordance with proper practices,*
 - b) Such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices,*
 - c) The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its future expenditure, and*
 - d) Such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.*
- (3) *The local precepting authority must calculate the aggregate of –*
- a) The income which it estimates will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issues by it, and*
 - b) The amount of financial reserves which the authority estimates that it will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (2) above.*
- (4) *If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated it to be its council tax requirement for the year.*

CONTEXT

The first precept levied by Lancaster City Council on behalf of Morecambe Town Council was for the sum of £220,500 in 2009. This precept was set based upon the first budget (below) drafted for the Town Council.

Morecambe Town Council Budget 2009/10

Item	Cost
Salaries	£30,000
Office Equipment / Consumables	£3,000
Office Rent	£5,000
Website Development	£5,000
Administration Costs	£3,000
Membership Fees	£2,500
Audit Fees	£2,000
Insurance	£2,000
Elections	£5,000
Allotments	£2,000
Parks and Open Spaces	£30,000
Environmental Projects	£30,000
Special Projects	£30,000
Grants	£12,000
Quality Status	£2,000
PCSO's	£44,000
Mayoralty	£1,500
Civic Sunday	£1,500
Badge of Officer	£2,000
Training	£3,000
Communications	£5,000
TOTAL	£220,500

The precept of 2009/2010 equated to a sum of approximately £19.31 per annum for Band D equivalent properties in the Morecambe Town Council area.

Over the past twelve years, the Town Council has levied the below sums:

Year	Precept	Tax Base	Precept per Band D Properties	Year-On-Year change per Band D Properties (£)	Year-On-Year change per Band D Properties (%)
2020/21	£189,594	9,709.99	£19.53	-£0.06	-0.3%
2019/20	£189,594	9,678.08	£19.59	£0.00	0%
2018/19	£188,141	9,603.95	£19.59	£0.00	0%
2017/18	£186,416	9,515.86	£19.59	£0.00	0%
2016/17	£183,348	9,359.29	£19.59	£0.00	0%
2015/16	£180,449	9,211.31	£19.59	£0.00	0%
2014/15	£178,554	9,114.56	£19.59	£0.00	0%
2013/14	£173,585	8,860.90	£19.59	£0.00	0%
2012/13	£220,700	11,265.11	£19.59	£0.00	0%
2011/12	£220,500	11,255.50	£19.59	£0.03	0.2%
2010/11	£220,500	11,271.25	£19.56	£0.25	1.3%
2009/10	£220,500	11,418.70	£19.31		

The precept of 2020/2021 equated to the approximate sums in the table below per annum for each property band in the Morecambe Town Council area.

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£13.09	£15.23	£17.38	£19.53	£23.83	£28.12	£32.62	£39.06

There are approximately 12,272 dwellings in Morecambe. The approximate number of dwellings of each property band in Morecambe is as follows:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Number of Dwellings	3927	4129	2947	857	285	89	31	1
% of Total	32.00	33.65	24.01	6.98	2.32	0.73	0.25	0.01

Therefore, the majority of homes in Morecambe fall within Band A and Band B, and pay a precept of approximately £13.09 - £15.23.

During the past twelve years, the Town Council's precept has recurrently remained below the national average, with some years showing no variation. Morecambe Town Council's precept can be compared to the national average in England for Band D properties:

Year	Band D (National Average, England) Value	Band D (National Average) Year-On-Year Variation (£)	Band D (National Average) Year-On-Year Variation (%)
2020/21	£69.89	£2.71	4.0%
2019/20	£67.18	£3.14	4.9%
2018/19	£64.05	£3.01	4.9%
2017/18	£61.03	£3.64	6.3%
2016/17	£57.40	£3.28	6.1%
2015/16	£54.12	£1.75	3.3%
2014/15	£52.37	£2.14	4.3%
2013/14	£50.23	£2.49	5.2%
2012/13	£47.74	£1.77	3.9%
2011/12	£45.97	£1.04	2.3%
2010/11	£44.93	£2.42	5.7%
2009/10	£42.51		

Morecambe Town Council's precept for Band D properties is currently £50.36 below the national average.

BUDGET

INTRODUCTION

The budget of Morecambe Town Council is an estimate of income and expenditure for the financial year.

With openness and transparency at the core of all Local Council's financial decisions, Morecambe Town Council should expect, nay encourage, proper scrutiny by the public and Councillors of the spending plans and any precept request.

S.1 of the 'Local Government Transparency Code 2015' states:

"This Code is issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society."

BACKGROUND

In order to carry out duties, powers, and delegated functions, Parish Council's prepare a budget for each financial year.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2018' states:

"The preparation of an annual budget is one of the key statutory tasks undertaken by a Council, irrespective of its size."

STRUCTURE

Without a budget in place, a Council is in breach of its Financial Regulations. Budgets must be set in line with S.101 (6) Local Government Act 1972, S.50 Local Government Finance Act 1992 and S.78 Localism Act 2011.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2018' states:

"The budget:

- *Results in the Council setting the precept for the year;*
- *Gives the Clerk and any other officers overall authority to make spending commitments in line with the decisions of the Council;*
- *Enables progress monitoring during the year by comparing actual spending against planned spending.*

It is important that Councillors understand how the budget is put together and how it should be used. The budget is an essential tool for controlling the Council's finances, and demonstrates that the Council will have sufficient income to meet its objectives and carry out its activities.

The Council must approve a budget before it sets a precept. The budget and precept both need to be approved at a full Council meeting and recorded in minutes; the Council must then manage its activities within budget.

The key stages in the budgeting process are:

- *Review of current year budget and spending;*
- *Determine the cost of spending plans;*
- *Assess levels of anticipated income;*
- *Provide for contingencies and the need for reserves;*
- *Approve the budget;*
- *Set the precept.*

Some Councils may budget to minimise spending to keep the local precept as low as possible, which may sometimes result in the Council doing little for their local community. However, there is evidence that local taxpayers are willing to pay more if they can see the results in terms of better local services. Local electors will often be prepared to contribute more for tangible local community benefits, rather than pay an amount where it appears that the Council is not active on behalf of the community and is merely administering itself."

HOW DOES THE COUNCIL DECIDE THE BUDGET?

A Parish Council must ensure all legislative requirements are met when deciding the budget, ensuring that policies are adhered to and all predicted spend falls within the duties and/or power(s) of a Parish or Town Council.

PREDETERMINATION AND BIAS

The duty on public authorities to avoid bias in their decision-making is essentially part of their duty to act fairly.

Predetermination (where a decision-maker effectively decides on an issue in advance and closes his or her mind to any other possibility) is unlawful and Councillors must comply with S.25 Localism Act 2011 when setting the budget.

Councillors must safeguard their democratically accountable functions, ensuring that any fair-minded and informed observer, having considered the facts, could not conclude that there was a possibility of bias or predetermination in their decision making.

CODE OF CONDUCT

All Councillors are required to act within a Code of Conduct that governs their decision

making. The Code of Conduct ensures budgeting decisions are not made for the benefit of any Councillor and that all Councillors act with openness, integrity, objectivity and accountability.

Lancaster City Council Code of Conduct includes:

Accountability

Councillors are accountable to the public for their decisions and must co-operate fully with whatever scrutiny is appropriate to their office, including by local residents.

Objectivity

Councillors should remain objective, listen to the interests of all parties appropriately and impartially and take all relevant information, including advice from the authority's officers, into consideration.

Openness

Councillors must be as open and transparent as possible about their decisions and action and the decisions and action of the authority. Councillors should be prepared to give reasons for those decisions and actions. Councillors must not prevent anyone getting information that they are entitled to by law.

Honesty

Councillors must declare any private interests, both pecuniary and non-pecuniary that relate to their public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests.

Integrity

Councillors must not place themselves under any obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Selflessness

Councillors must act solely in the public interest and must never use or attempt to use your position improperly to confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, friends or close associates.

CONSULTATION

It is good practice for a Council to consult the community to ascertain the needs and aspirations of residents.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2018' states:

"The Council should consider consulting the local community for their views."

Proposed Morecambe Town Council Budget September 2020 - March 2021

The Proper Officer of Morecambe Town Council has consulted with members and considered a budget that contains realistic objectives that can be achieved in the financial year, alongside a scheme of delegation to ensure the most effective discharge of the activities proposed.

Item	Cost	% of Total Budget
Salaries + Staff Expenses	£32,542	11.1
Office Equipment / Consumables	£1,500	0.5
Administration / Legal Costs	£1,500	0.5
Office Rent	£4,000	1.4
Local Council Award Scheme	£500	0.2
Insurance	£500	0.2
Audit	£3,838	1.3
Lengthsman	£23,556	8.0
Enforcement Officer	£23,556	8.0
Training	£1,000	0.3
Communications	£2,500	0.9
Litter Campaign	£3,000	1.0
Grant Fund	£35,000	11.9
Community Engagement	£10,000	3.4
Open Space Equipment	£15,000	5.1
Alley Champions Project	£5,000	1.7
Parks / Open Spaces Assets	£5,000	1.7
Green Corridor	£5,000	1.7
Arts Projects	£5,000	1.7
Morecambe in Bloom	£5,000	1.7
Outdoor Gym Project	£12,000	4.1
CCTV	£10,000	3.4
Neighbourhood Plan	£5,000	1.7
General Reserves	£73,883	25.1
Promenade Lighting Reserve	£10,000	3.4
	£293,875	100.0

Budgetary Explanation

Salaries and Staff Expenses

A sum of £45,000 was originally budgeted for salaries in 2020/21. The Council has incurred actual expenditure of £12,458 in the first quarter of 2020/21. Therefore the £32,542 remaining in the original staffing budget has been retained. This amount accommodates the employment of a Proper Officer for twenty-five hours per week, for thirty-five weeks, at a remuneration level of SCP 48 (less a week's pay at SCP 28), and mileage reimbursed at a rate of £0.45 per mile. There is also some scope within this budget to consider a deputy clerk. In line with the recommendations of the Internal Auditor, this budget also accommodates a payroll service at a cost of £10 per month that would calculate amount owed to HMRC, submit RTI documents to HMRC each month on the Council's behalf, generate p60 forms at the end of each year, generate p45 forms upon termination of any employment, and calculate any pension contributions.

*All decisions regarding this budget to be made in line with employment contracts and policies.
All decisions regarding the payroll service delegated to: Proper Officer*

Office Equipment / Consumables

This budget line has been retained from the existing 2020/2021 budget and reduced.

All decisions regarding this budget delegated to: Proper Officer

Administration / Legal Costs

This budget line has been retained from the existing 2020/2021 budget and reduced.

All decisions regarding this budget delegated to: Full Council

Office Rent

This sum has remained unchanged from the original budget set for 2020/2021.

All decisions regarding this budget delegated to: Proper Officer

Local Council Award Scheme

This budget line has been reintroduced after featuring on Morecambe Town Council's first budget of 2009/10. The Council is yet to achieve any recognised level of the Local Council Award Scheme and this budget line will enable the Council to seek accreditation for the Foundation Award.

All decisions regarding this budget delegated to: Proper Officer

Insurance

With the proposed purchase of additional assets, this sum is set to accommodate any necessary adjustments to the insurance.

All decisions regarding this budget delegated to: Proper Officer

Audit

The audit of 2019/2020 came to a cost of approximately £1,169 - an amount that has already been paid. The audit costs for 2020/2021 will therefore be paid in the 2021/2022 financial year.

However, this budget line accounts for additional payments due of approximately £3,838 for the 2018/2019 audit recently undertaken.

All decisions regarding this budget delegated to: Full Council

Lengthsman

This budget line has been introduced to help maintain the open spaces as litter and weed-free as possible.

All decisions regarding this budget delegated to: Environmental Committee

Enforcement Officer

This budget line has been retained from the existing 2020/2021 budget.

All decisions regarding this budget delegated to: Environmental Committee

Training

Whilst the Proper Officer of the Council will be facilitating training for members, this budget allows for members to attend training in areas that may well fall outside of the scope of the Proper Officer (such as Health and Safety / First Aid training).

All decisions regarding this budget delegated to: Full Council

Communications

Whilst the Council has attracted some press coverage in recent months, there does not appear to be many positive news stories featuring the projects and positive actions being taken by the authority. This sum will help promote the activities of the Council across platforms such as social media, radio, e-blasts, press outlets, text messages and marketing platforms.

All decisions regarding this budget delegated to: Proper Officer

Litter Campaign

In a meeting of the Council held on 6 August 2020, it was resolved to incur expenditure of this amount to procure posters, litter pickers, hi vis jackets and leaflets to assist in tackling litter.

Decisions regarding this sum were delegated to the Proper Officer (in consultation with a member)

Grant Fund

It is understood, in light of Covid-19, and other deprivation indicators, that Morecambe would benefit from the continuation of a grant fund.

All grant awarding decisions delegated to: Grants Committee

All communication (public relations and marketing) decisions delegated to: Proper Officer

Community Engagement

A proposal for a committee to generate project ideas for the Council has been suggested. As a precursor to this, it is important for the Council to gather a strong and reliable source of evidence in which to assist it to move on motions that are in the best interest of the community. This budget line has been created to enable research to be undertaken into what residents and tourists believe

should be improved in the area, and this sum gives rise to any expenditure that may be incurred in gathering this evidence base, such as door-to-door surveys, engagement with local groups and stakeholders, consideration of a youth council, multi-demographic focus groups, and/or surveys in the public realm to establish the needs of each ward.

All decisions regarding this budget delegated to: Proper Officer (in consultation with members of a Community Engagement Working Party)

Open Space Equipment

Concerns have been raised at the level of litter and weeds in Morecambe. This sum enables the Council to purchase a machine (such as a Glutton industrial vacuum cleaner) to assist in tackling these issues.

All decisions regarding this budget delegated to: Environmental Committee

Alley Champions Project

This sum is to take into account any expenditure associated with tidying up alleys. More promotion of this initiative is needed and the Council may wish to consider how to engage the community in this scheme by launching a competition to adopt a back alley, whereby residents can nominate their alley to be adopted by the Council and there can be alley guardians to continue to maintain the adopted alley once it has been transformed.

All decisions regarding this budget delegated to: Proper Officer (in consultation with members leading the project)

Parks / Open Spaces Assets

It is understood that a number of members would like to see more ownership of parks and open spaces. Suggestions have been put forward to install further benches (with one thanking the local front line workers who have helped to tackle Covid-19), picnic tables, bins (with some possibly sculpted in the shape of a fish to encourage recycling), facilities for pets such as a pet-friendly agility course, and equipment that will engage young people such as outdoor table-tennis tables.

All decisions regarding this budget delegated to: Environmental Committee

Green Corridor

It is understood that historic photographs of Morecambe exhibit an abundance of trees and some areas have become more barren in recent years. A green corridor can help to offset the carbon footprint of the Council, whilst improving the tree canopy across Morecambe to encourage more wildlife and enhance the street scene.

All decisions regarding this budget delegated to: Proper Officer (in consultation with members leading the project)

Arts Projects

In order to generate interest in open spaces and brighten up some areas of the community that may be tired, this sum will enable artists to be commissioned to create artwork on neglected spaces that can serve as both a local focal point and tourism attraction. This budget line could also be used to engage young people in the community to participate in the arts through educational activities such as graffiti workshops which could take place in a park using large MDF boards or canvasses - helping to nurture talent and generate identity and confidence in young people.

All decisions regarding this budget delegated to: Proper Officer (in consultation with members leading the project)

Morecambe in Bloom

It is considered that Morecambe in Bloom has been quite animating for the Council in recent years. This sum aims to build on that positive contribution to help towards increasing tourism and improving the wellbeing of residents.

All decisions regarding this budget delegated to: Proper Officer (in consultation with members leading the project)

Outdoor Gym Project

It is considered that there may be suitable locations (such as along the promenade) for some outdoor gym equipment to be installed.

All decisions regarding this budget delegated to: Environmental Committee

CCTV

It is estimated that this sum would be required for a single installation in an area of choice to assist in tackling fly tipping and anti social behaviour.

All decisions regarding this budget delegated to: Environmental Committee

Neighbourhood Plan

This sum is to cover any costs that may arise in relation to the Neighbourhood Plan.

Budget delegated to: Full Council

General Reserves

This sum has been set at approximately 25% of annual expenditure - in line with the recommended typical minimum level of general reserves an authority should hold as advised in NALC's 'The Good Councillor's Guide to Finance and Transparency'.

Budget delegated to: Full Council

Promenade Lighting Reserve

This sum has been set as an earmarked reserve. In addition to general reserves, the Council may have earmarked reserves for specific projects, where money is allocated for a specific purpose but may not be spent in that financial year. Whilst a project to illuminate the promenade (from Battery car park to The Midland Hotel) may require substantial investment, with a multi-agency approach, this reserve is to show a willingness to work with other stakeholders and set an objective for Morecambe Town Council to work towards. This earmarked reserve can continue to be increased each year until the Council is in a position to deliver this project with third parties (either in part or in its entirety).

Budget delegated to: Full Council