



## Budget + Precept Proposal

2021-2022

### Morecambe Town Council

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Proper Officer: Mr Luke Trevaskis

## **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 subsequent precept request.

### **BACKGROUND**

In order to carry out duties, powers, and delegated functions, it is a statutory duty of a Town Council to prepare a budget for each financial year.

*Section A of 'The Good Councillor's Guide to Finance and Transparency' 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' 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 Town 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 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' states: "The

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

**Current Position  
September 2020 - March 2021**

The current position of Morecambe Town Council demonstrates the current budget approved on 3 September 2020, the actual spend to date against that budget, and the anticipated total expenditure (outturn) by 31 March 2021.

<b>Item</b>	<b>2020-21 Budget (Sep 20)</b>	<b>% of Total Budget</b>	<b>2020-21 Actual</b>	<b>2020-21 Outturn</b>
Salaries + Staff Expenses	£32,542	11.1	£10,822.07	£32,542
Office Equipment / Consumables	£1,500	0.5	£1,244.36	£2,000
Administration / Legal Costs	£1,500	0.5	£0.00	£1,500
Office Rent	£4,000	1.4	£1,925.00	£4,000
Local Council Award Scheme	£500	0.2	£0.00	£500
Insurance	£500	0.2	£827.11	£827.11
Audit	£3,838	1.3	£3,838.00	£3,838
Lengthsman	£23,556	8.0	£0.00	£23,556
Enforcement Officer	£23,556	8.0	£19,745.00	£19,745
Training	£1,000	0.3	£0.00	£1,000
Communications	£2,500	0.9	£104.49	£2,500
Litter Campaign	£3,000	1.0	£0.00	£3,000
Grant Fund	£35,000	11.9	£0.00	£35,000
Community Engagement	£10,000	3.4	£0.00	£10,000
Open Space Equipment	£15,000	5.1	£0.00	£15,000
Backstreet Project	£5,000	1.7	£0.00	£5,000
Parks / Open Spaces Assets	£5,000	1.7	£0.00	£5,000
Green Corridor	£5,000	1.7	£0.00	£5,000
Arts Projects	£5,000	1.7	£0.00	£5,000
Festivals, Events, Sponsorships	£0.00	0.0	£0.00	£0.00
Morecambe in Bloom	£5,000	1.7	£0.00	£5,000.00
Outdoor Gym Project	£12,000	4.1	£0.00	£0.00
CCTV	£10,000	3.4	£0.00	£1,000.00
Neighbourhood Plan	£5,000	1.7	£0.00	£0.00
General Reserves	£73,883	25.1	£0.00	£0.00

Item	2020-21 Budget (Sep 20)	% of Total Budget	2020-21 Actual	2020-21 Outturn
Promenade Lighting Reserve	£10,000	3.4	£0.00	£0.00
	£293875	100.0	£38506.03	£181008.11

It is estimated that approximately £112,867.00 will remain in the Council's bank account as of 31 March 2021.

### Proposed Morecambe Town Council Budget April 2021 - March 2022

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	2021-22 Budget	% of Total Budget
Salaries + Staff Expenses	£65,000	16.5
Office Equipment / Consumables / Administration	£4,000	1.0
Professional Services	£10,000	2.5
Office Rent	£4,000	1.0
Local Council Award Scheme	£500	0.1
Insurance	£2,500	0.6
Audits	£1,500	0.4
Lengthsman / Town Ranger	£23,556	6.0
Enforcement Officer	£23,556	6.0
Training	£5,000	1.3
Communications	£2,500	0.6
Litter Campaign	£5,000	1.3
Grant Fund	£35,000	8.9
Community Engagement	£5,000	1.3
Asset Purchase	£35,000	8.9
Asset Maintenance	£10,000	2.5
Backstreet Project	£6,000	1.5
Green Corridor	£6,000	1.5
Arts Projects	£6,000	1.5
Festivals, Events, Sponsorships	£75,000	19.0
Morecambe in Bloom	£6,000	1.5

Item	2021-22 Budget	% of Total Budget
Outdoor Gym Project	£12,000	3.0
CCTV / Security	£2,000	0.5
Neighbourhood Plan	£5,000	1.3
General Reserves	£45,000	11.4
Promenade Lighting Reserve	£0.00	0.0
	£395112	100.0

## Budgetary Explanation

### Salaries and Staff Expenses

A sum of £45,000 was originally budgeted for salaries in 2020/21. This budget has been increased to provide greater flexibility for the Council when undertaking future recruitment. In line with the recommendations of the Internal Auditor, this budget also accommodates a payroll service 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 prior budgets.

*All decisions regarding this budget delegated to: Proper Officer*

### Professional Services

This budget line would include anticipated professional service fees such as NALC (£2,772.27), SLCC (£550), legal fees, costs of contractors for Health and Safety and HR (£3,500).

*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 retained 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 and taking into account potential future events/festivals that the Council may wish to hold.

*All decisions regarding this budget delegated to: Proper Officer*

### **Audit**

The internal audit of 2019/2020 came to a cost of approximately £1,169. This, along with the external audit costs, should provide for a budget of £1,500 in 2020-2021.

*All decisions regarding this budget delegated to: Full Council*

### **Lengthsman / Town Ranger**

This budget line has been retained 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 / HR / Conflict Resolution).

*All decisions regarding this budget delegated to: Proper Officer*

### **Communications**

Whilst the Council has attracted some press coverage in recent months, there still needs to be consistent news stories featuring the projects and positive actions being undertaken 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**

This budget has been retained and increased slightly to accommodate further work to reduce litter across Morecambe.

*All decisions regarding this budget delegated to : Environment Committee*

### **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**

It is anticipated that the Council will gather a strong and reliable source of evidence in the new year to assist it to move on motions that are in the best interest of the community. This budget line has been retained to enable further 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)*

## **Asset Purchase and Asset Maintenance**

Concerns have been raised at the level of litter and weeds in Morecambe. These sums will enable the Council to purchase equipment to assist in tackling these issues and providing additional assets in the public realm such as street furniture (benches, picnic tables, bins, outdoor table-tennis tables, and dog agility equipment).

*All decisions regarding this budget delegated to: Environmental Committee*

## **Backstreet Project**

The Council have launched a scheme to encourage residents to nominate their alley for a makeover. This sum is to take into account any expenditure associated with tidying up alleys.

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

## **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)*

## **Arts Projects**

Some interesting conversations have begun to happen with many artists in the local area. 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 tourist attraction. This budget line could also be used to engage young people in the community to participate in the arts through educational activities - 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)*

## **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 / Security**

It is estimated that this sum would be required for the installation of small covert devices 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**

Whilst it is noted that the recommended typical minimum level of general reserves an authority should hold is 25% (as advised in NALC's 'The Good Councillor's Guide to Finance and Transparency'), this sum represents an adequate general reserve provided that the Council make efforts to increase this year-on-year.

*Budget delegated to: Full Council*

## 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 –
- 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,
  - 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,
  - The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its future expenditure, and
  - 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 –

- 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
- 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.

The precept of 2009/2010 equated to a sum of approximately £19.31 per annum for Band D 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%

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 (%)
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 12,115 net dwellings in Morecambe on which the Council Tax Base is calculated. The approximate number of net 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	3889	4049	2922	849	281	88	31	1
% of Total	32.10	33.42	24.12	7.01	2.32	0.73	0.26	0.01

Therefore, the majority of homes in Morecambe fall within Band A and Band B, and paid a precept of approximately £13.09 - £15.23 in 2020-2021.

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 in 2020-2021 was £50.36 below the national average.

Morecambe Town Council's precept can be compared to other precepts in Lancaster for Band D properties in 2020-21:

Parish / Town	Band D 2020-21
Aldcliffe with Stodday	£37.35
Arkholme with Cawood	£20.26
Bolton Le Sands	£20.61
Borwick	£11.05
Burrow with Burrow	£14.53
Cantsfield	£0.00
Carnforth	£51.42
Caton with Littledale	£31.66
Claughton	£0.00
Cockerham	£41.90
Ellel	£28.44
Gressingham	£23.50

<b>Parish / Town</b>	<b>Band D 2020-21</b>
Halton with Aughton	£37.45
Heaton with Oxcliffe	£18.12
Hornby with Farleton	£47.25
Ireby and Leck	£48.43
Melling and Wrayton	£74.54
Middleton	£36.05
Nether Kellet	£30.30
Over Kellet	£23.11
Over Wyresdale	£11.85
Overton	£29.27
Priest Hutton	£31.08
Quernmore	£13.39
Roeburndale	£0.00
Scotforth	£10.61
Silverdale	£44.03
Slyne with Hest	£49.83
Tatham	£28.13
Thurnham	£19.32
Tunstall	£84.25
Warton	£22.11
Wennington	£71.68
Whittington	£25.57
Wray with Botton	£43.16
Yealand Conyers	£25.78
Yealand Redmayne	£38.34

### **2021-2022 Proposed Precept**

With an budget of £395,112.00 and an anticipated carry forward of £112,867.00 it is proposed that Morecambe Town Council set its 2021-2022 precept at £282,245.00

With a 2021-2022 tax base of 9,585.55, this precept level would equate to the approximate sums in the table below for each property band in the Morecambe Town Council area.

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
£19.72	£22.96	£26.20	£29.44	£35.92	£42.39	£49.16	£58.88

This precept level would equate to an annual year-on-year increase for each property band in the Morecambe Town Council area outlined in the table below.

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
£6.64	£7.73	£8.82	£9.91	£12.09	£14.27	£16.55	£19.82

As the majority of homes in Morecambe fall within Band A and Band B, most homes would pay an increase of £6.64-£7.73.