



Budget + Precept Proposal

2022-2023

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 2021 - March 2022**

The current position of Morecambe Town Council demonstrates the current budget approved on 17.12.20, and later amended on 10.6.21, the actual spend to date against that budget (Apr 21 - Dec 21), and the anticipated total expenditure (outturn) by 31 March 2022.

Opening balance as at 1 April 2021: £213,693.53

INCOME

Item	2021-22 Budget	2021-22 Actual	Estimated 2021-22 Outturn
Precept	£282,245.00	£282,245.00	£282,245.00

EXPENDITURE

Item	Budget 2021-2022	% of Total Budget	2021-22 Actual (Apr - Dec)	2021-22 Outturn
Salaries + Staff Expenses	£71,557.12	15.9	£27,646.89	£71,557.12
Office Equipment / Consumables / Administration	£4,000.00	0.9	£2,215.74	£3,000.00
Professional Services	£10,387.46	2.3	£7,293.41	£10,387.46
Office Rent	£5,112.50	1.1	£2,853.56	£6,000.00
Local Council Award Scheme	£500.00	0.1	£0.00	£500
Insurance	£2,500.00	0.6	£838.23	£2,000.00
Audits	£1,500.00	0.3	£1,008.00	£6,000.00
Lengthsman / Town Ranger	£47,112.00	10.5	£5,520.77	£23,556
Enforcement Officer	£27,367.00	6.1	£0.00	£23,556.00
Training	£6,000.00	1.3	£0.00	£5,500.00
Communications	£4,895.51	1.1	£2,134.80	£4,895.51
Litter Campaign	£5,000.00	1.1	£0.00	£5,000.00
Grant Fund	£52,639.00	11.7	£39,335.36	£52,639.00
Community Engagement	£14,950.00	3.3	£0.00	£14,950.00
Asset Purchase / Maintenance	£64,933.00	14.4	£7,142.13	£64,933.00
Backstreet Project	£11,000.00	2.4	£0.00	£11,000.00
Green Corridor	£6,000.00	1.3	£0.00	£6,000.00
Arts Projects	£10,327.89	2.3	£0.00	£10,327.89

Item	Budget 2021-2022	% of Total Budget	2021-22 Actual (Apr - Dec)	2021-22 Outturn
Festivals, Events, Sponsorships	£75,000.00	16.6	£4,250.18	£20,000.00
Morecambe in Bloom	£10,796.00	2.4	£71.71	£5,000.00
Outdoor Gym Project	£12,000.00	2.7	£0.00	£12,000.00
CCTV / Security	£2,000.00	0.4	£0.00	£0.00
Neighbourhood Plan	£5,000.00	1.1	£0.00	£5,000.00
	£450577	100.0	£100310.78	£363801.98

RESERVES

Item	2021-22 Budget	2021-22 Actual Spend-to-Date	Estimated 2021-22 Outturn
General Reserves	£34,602.35	£0.00	£14,602.35*

**Estimated general reserve remaining after Gaia art installation.*

It is estimated that approximately £112,136.55 will remain in the Council's bank account as of 31 March 2022 (£97,534.20 if you take into consideration the reserves of £14,602.35).

Proposed Morecambe Town Council Budget April 2022 - March 2023

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.

Anticipated opening balance as at 1 April 2022: £112,136.55

INCOME

Item	Proposed 2022-23 Income
Precept	£425,250.45

EXPENDITURE

Item	Budget 2022-2023	% of Total Budget
Salaries	£184,000.00	39.4
Office Equipment / Consumables / Administration / Expenses	£5,000.00	1.1
Professional Services	£10,387.46	2.22
Office Rent	£6,000.00	1.28
Local Council Award Scheme	£500.00	0.11
Insurance	£2,500.00	0.53
Audits	£6,000.00	1.28
Training	£6,000.00	1.28
Communications	£5,000.00	1.07
Litter Campaign	£5,000.00	1.07
Grant Fund	£35,000.00	7.49
Community Engagement	£15,000.00	3.21
Asset Purchase / Lease	£75,000.00	16.05
Asset Maintenance	£10,000.00	2.14
Backstreet Project	£5,000.00	1.07
Green Corridor	£5,000.00	1.07
Arts Projects	£10,000.00	2.14
Festivals, Events, Sponsorships	£60,000.00	12.84

Item	Budget 2022-2023	% of Total Budget
Morecambe in Bloom	£5,000.00	1.07
Outdoor Gym Project	£12,000.00	2.57
CCTV / Security	£0.00	0.00
Neighbourhood Plan	£5,000.00	1.07
	£467387	100

RESERVES

Item	Proposed 2022-23 Budget
General Reserves	£40,000.00
Election Reserve	£10,000.00
Morecambe Sparkle Earmarked Reserve	£20,000.00
	£70,000.00

Budgetary Explanation

Salaries and Staff Expenses

Sum to accommodate salaries of six members of staff, employer national insurance contributions and pensions.

*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 / Administration

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 increased year on year due to additional charges to hire chamber and meeting rooms.

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 cost of the external audit of 2021/22 is anticipated to be more expensive than in prior years. This has been reflected in next year's budget.

All decisions regarding this budget delegated to: Full Council

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 / Personnel Committee

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

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). Consideration is currently being given to the purchase of a vehicle for MTC operatives.

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: Environment 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

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

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: Festival, Sponsorships and Events Committee

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

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.

There are approximately 10,300 parishes in England - 8,877 of which levied a non-zero precept in 2021-22.

There were 38 parish in Lancaster City Council, of which 35 set a non zero precept in 2021-22.

The precept is essentially a demand for a sum to be collected through the council tax system. Council tax-payers cannot refuse to pay it, and the billing authority cannot refuse to levy it. It is the only source of tax revenue available to parish councils.

Historically, parish councils were able to raise a 'rate' from the time of their establishment in 1894: this was linked to their then duties under the Poor Laws. Rates were levied on non-domestic and domestic property until 1990, when the rates were replaced by the National Non-Domestic Rate and the Community Charge respectively. Since then, parishes have precepts on domestic property only, via the Community Charge and then the council tax.

In 2021-22 the largest amount precepted by a parish council was £3.36 million, and the lowest was £10.00. The largest amount per Band D household was £369.32 and the smallest £00.27. The largest tax base of a precepting parish was 37,101 and the smallest 1.4.

Since 2012-13, the Government has had the power to require parish and town councils to hold a referendum if their precept increases by more than a set threshold. Thresholds are imposed on principal authorities every year, but to date the Government has never extended them to parish councils.

Twelve new precepting parish councils were created in 2021-2022. Nine parishes ceased to exist in 2021-2022.

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.

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 thirteen 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 (%)
2021/22	£282,245	9,585.55	£29.44	£9.91	50.74
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 2021/2022 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
£19.72	£22.96	£26.20	£29.44	£35.92	£42.39	£49.16	£58.88

There are approximately 12,182 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	3889.39	4088.75	2943.62	857.19	280.09	86.25	31.5	0.5
% of Total	32.10	33.75	24.30	7.08	2.31	0.71	0.26	0.00

Therefore, the majority of homes in Morecambe fall within Band A and Band B, and paid a precept of approximately £19.72 - £22.96 in 2021-2022.

During the past thirteen 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 (%)
2021/22	£71.86	£1.97	2.8%
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 2021-2022 was £42.42 below the national average.

Morecambe Town Council's precept can be compared to other precepts in Lancaster for Band D properties in 2021-22:

Parish / Town	Band D 2020-21	Band D 2021-22	Year-On-Year Increase/Decrease (£)	Year-On-Year Increase/Decrease (%)
Aldcliffe with Stodday	£37.35	£38.45	£1.10	2.95
Arkholme with Cawood	£20.26	£20.26	£0.00	0.00
Bolton Le Sands	£20.61	£20.61	£0.00	0.00
Borwick	£11.05	£11.40	£0.35	3.17
Burrow with Burrow	£14.53	£14.47	-£0.06	-0.41
Cantsfield	£0.00	£0.00	£0.00	
Carnforth	£51.42	£51.92	£0.50	0.97
Caton with Littledale	£31.66	£31.65	-£0.01	-0.03
Cloughton	£0.00	£0.00	£0.00	
Cockerham	£41.90	£32.58	-£9.32	-22.24
Ellel	£28.44	£28.44	£0.00	0.00
Gressingham	£23.50	£27.85	£4.35	18.51
Halton with Aughton	£37.45	£38.87	£1.42	3.79
Heaton with Oxcliffe	£18.12	£15.92	-£2.20	-12.14
Hornby with Farleton	£47.25	£46.75	-£0.50	-1.06
Ireby and Leck	£48.43	£59.36	£10.93	22.57
Melling and Wrayton	£74.54	£82.08	£7.54	10.12
Middleton	£36.05	£70.85	£34.80	96.53
Morecambe	£19.53	£29.44	£9.91	50.74
Nether Kellet	£30.30	£38.88	£8.58	28.32
Over Kellet	£23.11	£23.12	£0.01	0.04
Over Wyresdale	£11.85	£11.86	£0.01	0.08
Overton	£29.27	£29.56	£0.29	0.99
Priest Hutton	£31.08	£31.55	£0.47	1.51
Quernmore	£13.39	£13.23	-£0.16	-1.19
Roeburndale	£0.00	£0.00	£0.00	
Scotforth	£10.61	£13.83	£3.22	30.35
Silverdale	£44.03	£66.33	£22.30	50.65

Parish / Town	Band D 2020-21	Band D 2021-22	Year-On-Year Increase/Decrease (£)	Year-On-Year Increase/ Decrease (%)
Slyne with Hest	£49.83	£49.66	-£0.17	-0.34
Tatham	£28.13	£28.52	£0.39	1.39
Thurnham	£19.32	£27.20	£7.88	40.79
Tunstall	£84.25	£86.30	£2.05	2.43
Warton	£22.11	£22.53	£0.42	1.90
Wennington	£71.68	£64.40	-£7.28	-10.16
Whittington	£25.57	£26.28	£0.71	2.78
Wray with Botton	£43.16	£43.43	£0.27	0.63
Yealand Conyers	£25.78	£27.02	£1.24	4.81
Yealand Redmayne	£38.34	£39.23	£0.89	2.32

2022-2023 Proposed Precept

With a budget of £467,387.00, reserves of £70,000.00, less an anticipated carry forward of £112,136.55 it is proposed that Morecambe Town Council set its 2022-2023 precept at £425,250.45

With a 2022-2023 tax base of 9,640.62*, this precept level would equate to the approximate sums in the table below 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
£29.55	£34.41	£39.26	£44.11	£53.81	£63.52	£73.66	£88.22

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.

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£9.83	£11.44	£13.06	£14.67	£17.90	£21.12	£24.50	£29.34

As the majority of homes in Morecambe fall within Band A and Band B, most homes would pay an increase of £9.83-£11.44.

**The tax base is calculated by taking the number of Band D equivalent properties in the parish from information supplied by the Valuation Officer, making allowances for discounts and exemptions, successful valuation appeals, the cost of the Council Tax Reduction Scheme, non-collection, and housing growth estimates. The number of Band D equivalent properties is calculated by scaling properties in other bands either up or down to convert them to a Band D level.*

The determination of a parish council's tax base includes the impact of the Welfare Reform Act 2012 which abolished Council Tax Benefit from 31.3.13 and introduced localised Council Tax Support (CTS) schemes. Billing authorities are required to express localised council tax support schemes in terms of a reduction in the Council Tax tax base.