



## Budget + Precept Proposal

2023-2024

Information sources:

- NALC's 'Briefing Analysis of Council Tax Levels Local Precepting Authorities 2022-2023'
- Government council tax data for local precepting authorities - 2021-22 and 2022-23
- Lancaster City Council's Annual Council Tax Charges 2022/23

## Morecambe Town Council

Morecambe Town Hall,  
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Morecambe  
Lancashire  
LA4 5AF

[www.morecambe.gov.uk](http://www.morecambe.gov.uk)

Chief Executive: Mr Luke Trevaskis

86.52% of parish and town councils in England raise a precept

943 parish and town councils charged a Band D precept of £100+

Total cumulative tax levied by parish and town councils: £655,138,120

Band D year-on-year precept increases in England of up to £195.80

10,239 parish and town councils in England

Average Band D parish precept in England is £77.21 (excluding zero precepts)

Largest Band D precept raised by a local council: £377.97

## PARISH + TOWN COUNCIL SECTOR SNAPSHOT 2022-2023

Year-on-Year precept increases in England of up to 954.53%

Council with largest precept increase raised its precept from £1,315,266 to £1,874,951 (+£559,685)

County with largest average Band D year-on-year precept increase in England was Northumberland with an increase of +10.34%. Second largest county increase was Yorkshire with +10.11%

Largest precept raised by a local council: £3,606,289

## **1. BUDGET**

### **1.1 INTRODUCTION**

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

1.3 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.

1.4 This report sets out the context in which future decisions on resource allocation and budgeting will be taken.

1.5 The 2023-24 budget has been set against the backdrop of significant change and economic volatility, which increases the uncertainty around planning estimation and assumptions and puts significant press on the Council's limited resources.

### **1.6 BACKGROUND**

1.7 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."*

### **1.8 STRUCTURE**

1.9 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.

1.10 *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."*

## 2. HOW DOES THE COUNCIL DECIDE THE BUDGET?

2.1 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.

### 2.2 PREDETERMINATION AND BIAS

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

2.4 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.

2.5 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.

### 2.6 CODE OF CONDUCT

2.7 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 their position improperly to confer an advantage or disadvantage on any person or act to gain financial or other material benefits for themselves, their family, friends or close associates.*

**2.8 CONSULTATION**

2.9 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."*

### 3. Current Position April 2022 - March 2023

The current position of Morecambe Town Council demonstrates the current budget, the actual spend to date against that budget (Apr 22 - Dec 22), and the anticipated total expenditure (outturn) by 31 March 2023.

Opening balance as at 1 April 2022: £164,429.19

Please note figures on the below table have not deducted VAT. The public realm budget line represents additional equipment required to undertake weeding obligations in 2023-2024.

#### INCOME

Item	2022-23 Budget	2022-23 Actual (Apr - Dec)	Estimated 2022-23 Outturn
Precept	£425,250.45	£425,250.45	£425,250.45
Refunds	£0.00	£552.51	£552.51
Event Income	£0.00	£18,456.77	£22,000.00
Grants	£0.00	£5,063.00	£5,063.00
VAT	£0.00	£0.00	£0.00
<b>Total</b>		<b>£449322.73</b>	<b>£452865.96</b>

#### EXPENDITURE

Item	Budget 2022-2023	2022-23 Actual (Apr - Dec)	2022-23 Outturn
Salaries	£196,292.64	£134,768.47	£185,000.00
Office Equipment / Consumables / Administration / Expenses	£15,000.00	£12,581.94	£15,000.00
Professional Services	£10,387.46	£7,410.90	£10,387.46
Office Rent	£6,000.00	£5,315.78	£6,500.00
Local Council Award Scheme	£500.00	£60.00	£60.00
Insurance	£2,500.00	£1,960.13	£1,960.13
Audits	£6,000.00	£1,063.80	£1,063.80
Training	£6,000.00	£2,806.92	£6,000.00
Communications	£5,000.00	£524.54	£2,500.00
Community Engagement	£15,000.00	£0.00	£2,500.00
Grant Fund	£35,000.00	£8,000.00	£10,000.00
Arts Projects	£10,000.00	£4,926.30	£5,000.00

Item		Budget 2022-2023	2022-23 Actual (Apr - Dec)	2022-23 Outturn
Festivals, Events, Sponsorships		£120,000.00	£105,891.17	£110,000.00
Litter Campaign	Public Realm / Environment Committee	£100,000.00	£57,764.51	£130,000.00
Asset Purchase / Lease				
Asset Maintenance				
Backstreet Project				
Green Corridor				
Morecambe in Bloom		£5,000.00	£1,638.36	£1,638.36
Outdoor Gym Project		£12,000.00	£0.00	£0.00
Neighbourhood Plan		£5,000.00	£67.00	£67.00
				£487676.75

## RESERVES

Item	2022-23 Budget	2022-23 Actual Spend-to- Date	Estimated 2022-23 Outturn
General Reserves	£40,000.00	Vired to F&E - Mars	Vired to F&E - Mars
Election Reserve	£10,000.00	£4,399.45	£4,399.45
Morecambe Sparkle Earmarked Reserve	£20,000.00	£0.00	£20,000.00
	£70,000.00		£24,399.45

It is estimated that approximately £105,218.95 will remain in the Council's bank account as of 31 March 2023.



#### 4. Proposed Morecambe Town Council Budget April 2023 - March 2024

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.

Morecambe Town Council has generated a sizeable income in the current financial year, which it hopes will be increased in 2023-2024. This income helps the Council to cover its own costs and become more financially sustainable in the future - passing on a saving to local residents by reducing the amount of revenue required to be raised through council tax.

Anticipated opening balance as at 1 April 2023: £105,218.95

#### INCOME

Item	Proposed 2023-24 Income
Carry Forward	£105,218.95
Precept (Revenue)	£431,853.66
Events	£30,000.00
Training Centre	£25,000.00
Grants	£30,000.00
Contract Weeding	£63,295.67
VAT	£53,851.34
	£739,219.62

#### EXPENDITURE

Item	Proposed Budget 2023-2024
Salaries	£361,000.00
Office Equipment / Consumables / Administration / Expenses	£10,000.00
Professional Services	£15,000.00
Office Rent	£15,000.00
Insurance	£3,500.00
Audits	£6,000.00
Training	£6,000.00
Communications	£10,000.00
Grants Committee	£25,000.00
Community Engagement	£10,000.00
Environment Committee (Public Realm)	£150,000.00

Item	Proposed Budget 2023-2024
Festivals, Events, Sponsorships	£100,000.00
Neighbourhood Plan	£2,500.00
Election Costs	£5,000.00
Morecambe Lights	£20,000.00
	£739000

## Budgetary Explanation

### Salaries and Staff Expenses

Sum to accommodate salaries of ten members of staff, employer national insurance contributions and pensions. Organisational structure to include Proper Officer, Projects Officer, Events Officer, Finance Officer, and six public realm officers (including two apprentices).

*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 to accommodate additional office equipment and day-to-day consumables.

*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: Proper Officer*

### Office Rent

This sum has increased year on year due to additional charges to hire chamber and meeting rooms. An increase has been included to account for additional office space that is required.

*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, also 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 is anticipated to be as high as in prior years. This has been reflected in next year's budget.

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

## **Training**

This budget will facilitate training for members and officers.

*All decisions regarding this budget delegated to: Proper Officer / Personnel Committee*

## **Communications**

Whilst the Council has attracted good press coverage in the past year, 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*

## **Grant Fund**

This fund provides an opportunity for local organisations to apply for funding for projects that support the local community.

*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*

## **Environment Committee / Public Realm**

This sum will enable the Council to continue purchasing equipment/consumables to support the public realm activities and support the enhancement of additional parcels of land with additional assets 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*

## **Festivals, Sponsorships and Events Committee**

This sum aims to build on the positive contribution of local events and festivals to help towards increasing tourism and improving the wellbeing of residents.

*All decisions regarding this budget delegated to: Festival, Sponsorships and Events Committee  
All communication (public relations and marketing) decisions delegated to: Proper Officer*

### **Neighbourhood Plan**

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

*Budget delegated to: Full Council*

### **Morecambe lights**

This sum is to cover any costs that may arise in relation to the Morecambe Lights.

*Budget delegated to: Full Council*

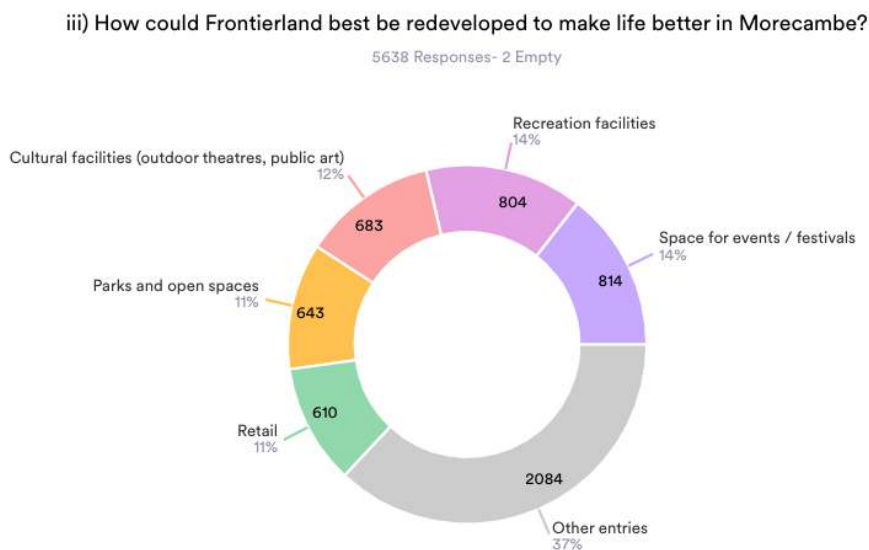
## 5. RESERVES

5.1 The recommended typical minimum level of general reserves an authority should hold is 25%-100% of annual expenditure. Current levels of reserves are unsatisfactory and risk the operational activity of the Council. If additional service delivery was required from the Council in 2023-2024, or opportunities arose for devolution or asset acquisition, there is currently inadequate reserves in place to accommodate such activities.

5.1 The Council has held considerable community consultations regarding the future use of the Frontierland site and a survey was undertaken to ascertain the appetite for a community fund to be created. The number of respondents willing to contribute to the fund (as at 17.2.23), and proposed pledges, can be found detailed on the table below. Completed submissions were received from 1554 respondents - the majority of which fell within Band A (21%), Band B (25%), Band C (29%) properties.

Amount	No of Residents
£100.00	65
£50.00	55
£10.00	35
£20.00	34
£5.00	15
£200.00	10
£25.00	9
£500.00	8
£1,000.00	8
£120.00	7
£1.00	6
£2.00	3
£30.00	3
£240.00	3
£250.00	3
£40.00	2
£150.00	2
£300.00	2
£15.00	1
£29.00	1
£52.00	1
£55.00	1
£60.00	1
£75.00	1
£180.00	1
£600.00	1
£3,000.00	1
£15,000.00	1
Unsure	150

5.3 When asked how the Frontierland site could best be redeveloped to make life better in Morecambe, respondents replied as follows.



5.4 In order to secure the Frontierland site for future community use, it is understood a capital receipt will be required by Lancaster City Council for any part of the land to which the community expresses an interest.

5.5 In considering affordability, the fundamental objective is to ensure that any capital investment remains within sustainable limits, having regard to the impact on the community.

5.6 The factors that have been taken into account in considering the capital investment plans include the following:

- availability of capital resources, including potential capital grants, and capital receipts that could be obtained for projects now and in the future.
- appraisal arrangements and robust business cases presented to the Council for chosen options.
- revenue consequences of any proposed capital schemes, including interest and debt repayment costs of any borrowing.
- future years' revenue budget projections, and the scope of any development to meet borrowing costs.
- the likely level of government / local support.

5.7 To bring a feasible and meaningful indoor/outdoor hub - playing a substantial role within the community as it evolves over time, empowering residents to participate in community activities, whilst providing attractions that will also drive tourism - the Council must consider the level of capital receipt required to attract additional grant funding. Through conversations with the community, and responses to the Council's survey regarding Frontierland, the majority of respondents indicated that they would be willing to contribute a sum of £50-£100 to a community fund for the Frontierland site, with many indicating they would like to see further consultations and focus groups formed to retain the principles of 'community ownership'. In addition to the precept figure for the revenue budget (page 9), a proposed earmarked reserve of £1M would be required to be collected, to safeguard the former Frontierland site for community use, resulting in an incremental precept requirement of £1.32 per week for a Band A property (£68.00 per annum) in 2023-2024.

*Proposed Capital Earmarked Expenditure Reserve delegated to: Full Council*

## 6.1 PRECEPT

### 6.2 INTRODUCTION

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

6.4 There are 10,239 parish and town councils in England which have the power to raise a zero precept. Of these, 8,859 (86.5%) levied a non-zero precept in 2022-23.

6.5 In 2022-23 two new local councils were created and two were disbanded.

6.6 There are 38 parish and town councils in Lancaster City Council, of which 35 (92.1%) set a non-zero precept in 2022-23. On average, parish and town councils in the Lancaster City Council region increased their precepts in 2022-2023 by 7.07%. On average, parish and town councils in the County of Lancashire increased their precepts in 2022-2023 by 5.20%.

6.7 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.

6.8 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.

6.9 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. The Government has decided not to require parish and town councils to hold a referendum for 2022-23, however this policy has only been set for a period of one year and it is not known if the Government will impose such restrictions in future years.

6.10 The number of local councils by precept range, over the last three years, is as follows:

Precept	2020-2021	2021-2022	2022-2023
-£198*	1 (0)	1 (0)	1 (0)
-£40**	0 (0)	0 (0)	1 (+1)
£0	1,339 (-17)	1,360 (+21)	1,362 (+2)
£1-£24,999	5,686 (-113)	5,606 (-80)	5,511 (-95)
£25,000-£124,999	2,105 (+84)	2,142 (+37)	2,172 (+30)
£125,000-£249,999	500 (+15)	513 (+13)	538 (+25)
£250,000-£999,999	511 (+26)	529 (+18)	553 (+24)
£1,000,000-£1,999,999	58 (+7)	62 (+4)	72 (+10)
£2,000,000-£2,999,999	5 (0)	5 (0)	8 (+3)
£3,000,000-£6,499,999	3 (+1)	3 (0)	3 (0)
£6,500,000	0 (0)	0 (0)	0 (0)

\*Beesby with Saleby Parish Council (in East Lindsey) is recorded as having a negative parish precept because the district council collects rental income from parish land on behalf of the parish and distributes this back to residents as a reduction on their council tax.

\*\*Fawley Parish Council (in West Berkshire) is recorded as having a negative parish precept because the local council is distributing money back from a previous precept which had been increased for specific additional expenditure.

The overall amount raised by precepting parish and town councils in England in 2022-23 was £655,138,120 - a year-on-year increase of £37,077,710 (5.99%).

The largest precept increase was made by Aylesbury Town Council (in Buckinghamshire) which raised its precept from £1,315,266 to £1,874,951, increasing its Band D tax rate from £69.45 to £100.00.

In 2021-22 the largest precept increase was made by Daventry Town Council (in West Northamptonshire) which raised its precept from £598,823 to £1,291,879, increasing its Band D tax rate from £69.21 to £150.70.

The average Band D council tax precept in 2022-23 was £74.81 - a year-on-year increase of £2.95 or 4.1%.

The single largest year-on-year Band D precept increase in 2022-23 was set by Kingsbrook Parish Council (in Buckinghamshire) which raised its Band D rate by £195.80 (468.20%), from £41.82 to £237.62 due to the Council taking over management of parks and green spaces.

The profile of year-on-year Band D changes in England is set out below.

Band D Change	Number of Councils (Year-on-Year Change)		
	2020-2021	2021-2022	2022-2023
< 0%*	2,108	2,226 (+158)	2,632 (+406)
0%	506	874 (+368)	509 (-365)
< 1%	743	1,050 (+307)	797 (-253)
1.0 - 1.0%	796	954 (+158)	676 (-278)
2.0 - 2.9%	795	786 (-9)	680 (-106)
3.0 - 3.9%	574	545 (-29)	574 (+29)
4.0 - 9.9%	1,665	1,353 (-312)	1,632 (+279)
10 - 19.9%	922	581 (-341)	681 (+100)
20 - 49.9%	541	359 (-182)	483 (+124)
50% +	187	109 (-78)	176 (+67)

\* Of the 2,632 parish and town councils that reduced their Band D precept, 95% saw their tax base increase. The tax base is the number of Band D equivalent dwellings in an area to which council tax can be collected from. In other words, 95% of authorities saw a reduction to their Band D precept in part due to the number of taxable properties increasing (which shared the required council tax burden across a larger number of properties).



Of the 2,972 parish and town councils that increased their Band D precept by more than 3%, the Band D tax rate varied from £0.73 to £316.02.

Band D Increase (£)	Number of Councils (Year-on-Year Change)		
	2020-2021	2021-2022	2022-2023
£0.01 - £4.99	4,706 (-24)	4,699 (-7)	4,273 (-426)
£5.00 - £9.99	878 (+31)	633 (-245)	788 (+155)
£10.00 - £14.99	324 (0)	193 (-131)	294 (+101)
£15.00 - £24.99	221 (+47)	143 (-79)	194 (+52)
£25.00 +	134 (+25)	93 (-41)	106 (+13)

Of the 3,493 parish and town councils that increased their Band D precept by more than 3%, 92 required an increase of more than £25.00. The top five year-on-year increases were as below.

Council	Band D Precept 2022-2023	Band D Year-on-Year Increase (£)	Band D Year-on-Year Increase (%)
Kingsbrook Parish Council (Buckinghamshire)	£237.62	£195.80	468.20%
Bulwick Parish Council (North Northamptonshire)	£182.93	£155.69	571.54%
Cotcliffe Parish Council (Hambleton)	£151.43	£137.07	954.53%
Crosby Parish Council (Hambleton)	£151.43	£137.07	954.53%
Thorton le Beans Parish Council (Hambleton)	£151.43	£137.07	954.53%

The table below shows those local councils with a Band D of £150 or more which had a double-digit Band D percentage increase in 2022-2023 (from highest to lowest Band D value).

Council	Band D Precept 2022-2023	Year-on-Year Increase (£)	Year-on-Year Increase (%)
Bodmin Town Council (Cornwall)	£316.02	£41.64	15.18%
Bishops Castle Town Council (Shropshire)	£249.58	£28.11	12.69%
Penzance Town Council (Cornwall)	£246.31	£34.63	16.36%
Kingsbrook Parish Council (Buckinghamshire)	£237.62	£195.80	468.20%
Redruth Town Council (Cornwall)	£233.00	£33.77	16.95%

Salisbury City Council (Wiltshire)	£232.96	£24.96	12.00%
Westbury Town Council (Wiltshire)	£226.45	£48.26	27.08%
West Haddon Parish Council (West Northamptonshire)	£221.50	£26.38	13.52%
Wells City Council (Mendip)	£212.29	£60.70	40.04%
Blackwell Parish Council (Bolsover)	£202.04	£80.06	65.64%
Trowbridge Town Council (Wiltshire)	£200.10	£32.65	19.50%
Shepton Mallet Town Council (Mendip)	£198.76	£18.29	10.13%
Wotton-under-Edge Town Council (Stroud)	£198.71	£41.52	26.41%
Maiden Bradley with Yarnfield Parish Council (Wiltshire)	£197.95	£20.01	11.25%
Spaldington Parish Council (East Riding of Yorkshire)	£195.37	£52.10	36.37%
Wigton Town Council (Allerdale, Lake District)	£193.31	£23.10	13.57%
Wincanton Town Council (South Somerset)	£183.06	£32.12	21.28%
Bulwick Parish Council (North Northamptonshire)	£182.93	£155.69	571.54%
Stotfold Town Council (Central Bedfordshire)	£178.93	£22.31	14.25%
Bletchley and Fenny Stratford Town Council (Milton Keynes)	£176.69	£31.69	21.85%
Edenbridge Town Council (Sevenoaks)	£171.84	£15.62	10.00%
St Ives Town Council (Cornwall)	£169.74	£22.07	14.94%
Cirencester Town Council (Cotswold)	£169.70	£25.81	17.94%
Daventry Town Council (West Northamptonshire)	£169.28	£18.58	12.33%
Cinderford Town Council (Forest of Dean)	£168.15	£16.22	10.68%

Barnstaple Town Council (North Devon)	£158.04	£22.99	17.02%
Croft Parish Council (Blaby)	£155.05	£39.79	34.52%
Old Bolsover Town Council (Bolsover)	£154.39	£23.37	17.84%
Belvoir Parish Council (Melton)	£153.29	£45.65	42.41%
Street Parish Council (Mendip)	£152.86	£29.06	23.47%
Botesdale Parish Council (Mid Suffolk)	£152.33	£21.01	16.00%
Cotcliffe Parish Council (Hambleton)	£151.43	£137.07	954.53%
Crosby Parish Council (Hambleton)	£151.43	£137.07	954.53%
Thorton le Beans Parish Council (Hambleton)	£151.43	£137.07	954.53%
St Stephen in Brannel Parish Council (Cornwall)	£151.05	£25.92	20.71%
Keswick Town Council (Allerdale, Lake District)	£150.99	£17.01	12.70%

## 7. LEGISLATION + REFERENDUM PRINCIPLES + PRECEPT 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 issued 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.

The Local Government Finance Settlement 2023-2024 confirms that council tax referendum principles will not be set for local (parish and town) councils in 2023-24.

The relevant sections are below:

### 3.2 Council tax referendum principles

3.2.1 The government proposes the following package of referendum principles for 2023/24 which will be subject to the approval of the House of Commons alongside the final local government finance settlement:

- Protecting local taxpayers from excessive increases in council tax, by setting the referendum threshold at 3% per year from April 2023 for shire counties, unitary authorities, London boroughs, and the Greater London Authority, without a local referendum. Councils can set higher increases if they wish, via consent of a local referendum.
- In addition, local authorities with social care responsibilities will be able to set an adult social care precept of up to 2% per year without a referendum.
- A bespoke council tax referendum principle of up to 3% or £5, whichever is higher, for shire districts.

- A bespoke additional council tax flexibility of up to £20 on Band D bills for the Greater London Authority, as requested by the Mayor of London.
- Setting no council tax referendum principles for mayoral combined authorities (MCAs).
- **Setting no council tax referendum principles for town and parish councils.**
- A £5 referendum principle on Band D bills for all fire and rescue authorities. A £15 referendum principle on Band D bills for police authorities and police and crime commissioners.

3.2.2 It is for individual authorities to determine whether to use the flexibilities detailed above.

**The Government has not approved a multi-year deal, and could impose a cap in future years.**

## 8. LOCAL CONTEXT

8.1 The first precept levied by Lancaster City Council on behalf of Morecambe Town Council was for the sum of £220,500 in 2009.

8.2 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.

8.3 Over the past fourteen 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 (%)
2022/23	£425,250.45	9,640.62	£44.11	£14.67	49.83%
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		

8.5 There are 17,475 dwellings in Morecambe, of which 14,341 are chargeable after taking account of exemptions. There are approximately 12,391 net dwellings in Morecambe on which the Council Tax Base is calculated after taking account of discounts. There are approximately 9,921 net dwellings which represent the conversion of net dwellings to Band D equivalents. 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	2679.91	3236.61	2619.04	861.43	337.98	130.36	53.33	1
% of Total	22.12	26.72	21.62	7.11	2.79	1.08	0.44	0.01

8.6 Therefore, the majority of homes in Morecambe fall within Band A and Band B.

8.7 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 (%)
2022/23*	£77.21	£5.35	7.4%
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		

\*Excluding authorities which set a £0.00 precept.

8.8 Morecambe Town Council's precept for Band D properties in 2022-2023 was £33.10 below the national average.

8.9 Morecambe Town Council's precept can be compared to other precepts in Lancaster for Band D properties in 2022-23:

Parish / Town	Band D 2021-22	Band D 2022-23	Year-On-Year Increase/Decrease (£)	Year-On-Year Increase/Decrease (%)
Aldcliffe with Stodday	£38.45	£38.02	-£0.43	-1.12%
Arkholme with Cawood	£20.26	£20.66	£0.40	1.97%
Bolton Le Sands	£20.61	£21.64	£1.03	5.00%
Borwick	£11.40	£11.40	£0.00	0.00%
Burrow with Burrow	£14.47	£19.16	£4.69	32.41%

Parish / Town	Band D 2021-22	Band D 2022-23	Year-On-Year Increase/Decrease (£)	Year-On-Year Increase/ Decrease (%)
Cantsfield	£0.00	£0.00	£0.00	0.00%
Carnforth	£51.92	£54.54	£2.62	5.05%
Caton with Littledale	£31.65	£32.60	£0.95	3.00%
Cloughton	£0.00	£0.00	£0.00	0.00%
Cockerham	£32.58	£30.06	-£2.52	-7.73%
Ellel	£28.44	£30.71	£2.27	7.98%
Gressingham	£27.85	£27.99	£0.14	0.50%
Halton with Aughton	£38.87	£39.52	£0.65	1.67%
Heaton with Oxcliffe	£15.92	£16.91	£0.99	6.22%
Hornby with Farleton	£46.75	£46.61	-£0.14	-0.30%
Ireby and Leck	£59.36	£59.22	-£0.14	-0.24%
Melling and Wrayton	£82.08	£85.99	£3.91	4.76%
Middleton	£70.85	£66.37	-£4.48	-6.32%
Morecambe	£29.44	£44.11	£14.67	49.83%
Nether Kellet	£38.88	£38.78	-£0.10	-0.26%
Over Kellet	£23.12	£23.66	£0.54	2.34%
Over Wyresdale	£11.86	£15.84	£3.98	33.56%
Overton	£29.56	£27.69	-£1.87	-6.33%
Priest Hutton	£31.55	£31.66	£0.11	0.35%
Quernmore	£13.23	£13.12	-£0.11	-0.83%
Roeburndale	£0.00	£0.00	£0.00	0.00%
Scotforth	£13.83	£13.50	-£0.33	-2.39%
Silverdale	£66.33	£56.78	-£9.55	-14.40%
Slyne with Hest	£49.66	£49.90	£0.24	0.48%
Tatham	£28.52	£28.54	£0.02	0.07%
Thurnham	£27.20	£27.04	-£0.16	-0.59%
Tunstall	£86.30	£86.59	£0.29	0.34%
Warton	£22.53	£23.43	£0.9	3.99%
Wennington	£64.40	£118.00	£53.60	83.23%
Whittington	£26.28	£36.55	£10.27	39.08%



<b>Parish / Town</b>	<b>Band D 2021-22</b>	<b>Band D 2022-23</b>	<b>Year-On-Year Increase/Decrease (£)</b>	<b>Year-On-Year Increase/ Decrease (%)</b>
Wray with Botton	£43.43	£44.21	£0.78	1.80%
Yealand Conyers	£27.02	£26.80	-£0.22	-0.81%
Yealand Redmayne	£39.23	£40.85	£1.62	4.13%
		£35.49		148.02%

## **9. 2023-2024 Proposed Precept**

9.1 With an expenditure budget of £739,000, less anticipated income (including carry forward) of £739,219.62, the revenue budget in 2023-2024 will benefit considerably from the Council's income generating activities. This results in a revenue budget that would require only £431,853.66 of the collected precept (in effect freezing the council tax collected to service the revenue budget at the same rate as the current financial year).

9.2 The 2023-2024 tax base of 9,790.38 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.

9.3 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.

9.10 In addition to the precept that will resource the revenue budget, a proposed earmarked reserve of £1M is required to be collected to safeguard the former Frontierland site and fulfil the plans outlined by the community (page 14).

9.11 As the majority of homes in Morecambe fall within Band A and Band B, most homes would contribute an incremental precept of £1.32 per week for a Band A property and £1.55 per week for a Band B property in 2023-2024.

### **RECOMMENDATION FOR COUNCIL:**

**That this document, and the proposals made within it, be approved by the Council in full, including:**

- Proposed budget for 2023-2024;**
- Proposed revenue precept to be collected;**
- Proposed earmarked reserve to be collected to safeguard the former Frontierland site for community use.**

**Resulting in an incremental precept requirement of £1.32 per week for a Band A property in 2023-2024.**