



Members of Morecambe Town Council's Finance and Governance Committee

Cllr Brett Cooper - Chairman

Cllr Jim Pilling - Vice Chairman

Cllr G Knight, Cllr C Kent, Cllr M Bottoms, Cllr J Goodrich, Cllr J Ainscough, Cllr D Whitaker, Cllr J Livermore.

Minutes - 9 January 2024

Minutes of Finance and Governance Committee Meeting of Morecambe Town Council held at Morecambe Town Hall at 6.30pm on the ninth day of January 2024.

Record of Attendance:

Cllr B Cooper (Chairman), Cllr G Knight, Cllr M Bottoms, Cllr J Goodrich, Cllr J Ainscough, Cllr D Whitaker, Cllr J Livermore.

Cllr C Cozler (Council Chairperson) and Cllr P Hart (Council Vice-Chairperson) attended as ex officio members of the committee (without voting rights).

In attendance: Mr Luke Trevaskis (Proper Officer), Mr Joel Beal (Finance Officer) and Peter Fisher (Communications Officer).

FG2324-01 - Election of Vice Chairman

Cllr Jim Pilling was duly elected as Vice Chairman of the Committee.

FG2324-02 - Apologies

Apologies for non-attendance received from Cllr Clark Kent and Cllr Jim Pilling.

FG2324-03 - Declarations of Interest

The following members declared membership of Lancaster City Council:

Cllr Joanne Ainscough (Cabinet Member for Environment Services)
Cllr Martin Bottoms
Cllr Brett Cooper
Cllr Claire Cozler

Cllr Paul Hart
Cllr John Livermore
Cllr David Whitaker

Cllr David Whitaker also declared employment held with Lancashire County Council.

FG2324-04 - Minutes

The minutes of the finance and governance committee meeting held on 24th February 2022 were approved.

FG2324-05 - Public Participation

No members of the public were present.

FG2324-06 - Direct Debits

The Finance and Governance committee approved the Direct Debit list with recommendation to review all overhead contracts and agreements during FY2425.

Name of Supplier	Amount	Frequency	Purpose
British Telecoms (BT)	£56.95 (previously 62.76 with EE)	Monthly	Telephone/Broadband
CF Corporate Finance	£199.06	Quarterly	Tablet Leasing
EE Limited	£718.81	Monthly / Variable	Mobile Phones
Kingfisher Leasing	£343.63	Quarterly	Photocopier Leasing
Lancaster City Council	£903.82	Annually	NNDR
Lancashire Pension Fund	Varies	Monthly	Pension Contributions
M B Digital	£26.40	Monthly	Printing Fees
Peninsula Business	£349.23	Monthly	HR Support

FG2324-07 - Petty Cash

Members discussed the difficulties in undertaking events without adequate petty cash sums in place for unanticipated time-sensitive purchases that may be required in the days leading up to an event.

Members also noted that some event income has been received in cash.

Following the election (May 2023), bank signatories were unable to release salary payments and event income had to be used as a petty cash fund to pay employees (with all sums since being clawed back from subsequent payslips). Members noted the importance of the Council's Financial Regulations aligning to actual practice, and agreed to recommend an increased petty cash sum to £4,000, applied retrospectively from 1.4.23 (the management of which to be delegated to officers) to facilitate the future needs of the Council.

FG2324-08 - Procurement Threshold Changes

The Committee noted that the Regulations set by the Public Contracts Directive (Financial Regulation 11 (1) c) have amended thresholds for tender procurement effective 1 January 2024.

Thresholds currently applicable are:

- a) For public supply and public service contracts £214,904 (inc VAT)
- b) For public works contracts 5,225,000 Euros £5,372,609 (inc VAT)

These will need to be amended with the Financial Regulations at its next review.

FG2324-09 - Publication Scheme

The Committee approved to recommend that the Publication Scheme be adopted by the Council.

FG2324-10 - Q2 Draft Budget 2024-2025

The Committee reviewed the significant budget variances for Q1 and Q2.

The Committee noted that since the Town Council set its budget in February 2023, there has been further growth in service delivery and officers have facilitated further divisions of some budget lines (as previously discussed with members) in order to assist with budgetary control.

In Q1, the accounts were changed to take into consideration the fact that VAT had to be removed, following a change in accounting method from 'receipt and payments' to 'income and expenditure'.

In Q2, there were further reports to the Council about unanticipated costs - for example, an overspend in election fees, and additional costs associated with the office move following a request from Lancaster City Council to return all existing loaned furniture and equipment. Whilst the Council had initially discussed coding some additional costs within existing budget lines which were anticipated to produce an underspend at year end (such as the 'Staffing' budget), officers have presented revisions to the accounts which more accurately reflect the current position to date, ensuring all costs are coded to an appropriate budget line, to provide more appropriate insight into project budgets for FY2425 and facilitate a pragmatic approach to budgetary control. With this in mind, new budget lines have been created within Corporate Services - including 'IT Infrastructure'.

Members also noted additional budget lines that have not incurred any expenditure in the current financial year, which have been included with the new budget to account for even further delineation of budget lines in FY2425 demonstrating greater accountability and transparency, enabling the Council to better manage its financial obligations (an example of which can be found in 'Civic Expenses' to cover out of pocket expenses for members such as car parking).

The Committee reviewed the budget lines, and new 'service' titles, noting these would be easier for residents to understand the level of expenditure required to delivery each of the Council's main areas of service, agreeing that lines (such as staffing costs) should be specified within each individual area of service as presented in the updated accounts summary. The Committee also noted that the budget lines redrawn for Town Maintenance Service will help ensure clarity is provided for residents that taxpayers are not subsidising any services that fall outside the

boundary of MTC's administrative area - for example, Cost Code 36 and 27 provide clear delineation between weed control products paid for by MTC (and used solely within the boundary of MTC), and weed control products paid for by Lancashire County Council (and used solely to deliver the district-wide weed spraying service).

The Committee also noted some income had not been received (so far) during the FY2324 and that adjustments to budgets may be required to accommodate a reduced level of income.

Members noted that when Q3 finances are finalised, a much clearer position will be apparent in the lead up to year end.

The Committee considered the Financial Report, all budget line amends, the actual spend to date as of end of Q2, projected outturn for year end, proposed budget allocations for 2024-2025, and precept requirement.

The Committee made the below resolutions, for recommendation to full council.

The Committee resolved that the £17,000 'Public Realm Unit' budget line be moved to an Earmarked Reserve.

The Committee resolved that the £31,000 'Election Costs' budget line be moved to an Earmarked Reserve.

The Committee resolved that £150,000 of the current Community Action Fund be used to subsidise the 2024-25 budget (lowering the precept requirement, to provide a year-on-year reduction).

The Committee resolved to recommend all other proposed budget lines to full council, and requested additional detail summaries be provided for each budget heading.

Members noted that officers were working to ensure final figures presented to full council will provide a comparison against updated Q3 actuals. Members also noted a digital presentation was being prepared to accompany the budget and precept presentation to help illustrative the investment in each service delivered by the Council.

The meeting closed at 9:15pm.