



Morecambe Town Council's

# **Financial Plan 2025-2026**

**Delivering, protecting and  
enhancing services for the  
community.**

Executive Summary

Morecambe Town Council's 2025/2026 budget retains its primary focus of delivering value for residents and precept payers of Morecambe whilst including scope for growth, additional service and project delivery.

## **Foreword**

Morecambe Town Council is committed to continuing to deliver, protect and enhance services for the community. Through a shared vision of protecting the past and working to shape a vibrant future, improvements to the environment, local events, community activities, and a tourism offer, have positively influenced discussions amongst elected representatives this year, and will see Morecambe become an even better place to live, work, and visit.

This report accompanies the full draft budget and contains the recommendations of the Finance and Governance Committee which reviewed all budget lines at its meeting held on 12/02/2025.

## **Background**

The Council is required to set an annual budget to deliver its services, and its income is balanced through a combination of the parish precept, service fees, grants and other revenue.

The Council is also required to determine the necessary levels of reserves it will require for the financial year, which commences annually on 1 April.

The precept is the most local element of council tax levied by Lancaster City Council on properties within the administrative boundary and **is ring-fenced for the sole benefit of taxpayers within Morecambe Town Council's administrative boundary (which includes Heysham North.)**

The precept set by the Council must enable it to continue its business-as-usual functions at acceptable service levels. It must also be able to fund agreed service enhancements, in addition to asset maintenance and operational improvements.

To best support management in the delivery of services, some budget headings, ledger codes and subjective lines have been reviewed and updated. Such reviews facilitate the ongoing and effective management and monitoring of income and expenditure.

## **Legal Obligations**

The Council must set a balanced budget and comply with all statutory requirements pertaining to the setting of its budgets as set out in the Local Government Act 2003, Part 2, Section 25 and 26, which holds under clause 25 (1) that the Responsible Finance Officer (RFO) must report on the robustness of the estimates made for the purposes of the calculations and on the adequacy of the proposed financial reserves.

To satisfy the requirements of the Local Government Act 2003, Councillors must have due regard to this report when making decisions on the budget and precept. They must also approve a precept which:

- meets the Council's objectives and service level responsibilities.
- maintains an appropriate level of reserves.

- provides stability in the event of any unforeseeable demands.

## **Introduction**

Over the past few years, the Council has made efforts to establish a realistic budget. Morecambe Town Council has gone through a rapid period of growth over the last few years, with annual precept increases required to reflect this. These would have been less significant if there had been reasonable annual increments applied during the past 15 years.

## **Morecambe Town Council's precept history**

When the Council was founded in 2009, its precept was set at £19.31. Over the following 12 years this remained virtually static, staying below £20 up until 2021-22. While this produced an overall saving for taxpayers for over a decade, it effectively resulted in real-term budget cuts throughout most of the Council's existence. Simultaneously, this also reduced the Council's ability to build an adequate reserve, as the precept was primarily required to resource the Council's annual expenditure.

During this period the Council's role was primarily a reactive one, responsible for distribution of community grants and management of the occasional event. The level of staffing and budget reflected this.

Across a similar period (from 2007 to present day) the second-tier authority, Lancaster City Council, experienced a near 40% cut in central government funding while the third-tier authority, Lancashire County Council, had to regularly find multi-million-pound savings.

In reaction to these circumstances, Morecambe Town Council resolved to try and play a more proactive role and reduce the potential risk of watching a decline of services in Morecambe. This resulted in consecutive c.50% rises in the precept, bringing it to £44.11 in 2022-23 - still £33.10 below the national average.

For 2023 - 2024, the Council set a revenue budget of £739K (including VAT). It also raised a £1M Community Action Fund (CAF) to pursue a regeneration project on the former Frontierland site.

Whilst the Council froze the precept collected in 2023 - 2024 for its revenue budget, it required an overall increase in the precept of 231% to raise the CAF.

Since collecting the CAF Reserve, a new administration has been elected and a new direction established, exploring alternative ways of responding to current community needs.

Discussions have been held with elected representatives regarding the reallocation of CAF funds, and careful consideration has been given to all options by the Council's Finance and Governance Committee, with their recommendation following.

## **Reserves**

Prior to 2021 and the significant period of growth that followed, the Council held little to no reserves:

- In 2021/22 general reserves were held at just 8% against a projected c.£450,000 expenditure.

- In 2022/23 general reserves were held at just 7% against a projected c.£550,000 expenditure.

In order to raise the CAF in 2023/24, the Council pooled all its reserves. Had the Council not raised the £1M CAF, it would still have had to raise the precept by approximately £70 per Band D household across the following two years to resource the expanded services delivered by the Council and create a minimum general reserve of 25% against projected annual expenditure.

The CAF was reallocated to general reserves and £150k used to subsidise the 24-25 precept. This returned the precept trajectory to that of a more traditional, stable path as it would have otherwise been should the precept have increased naturally over time. The average band D figure of 24/25 was £97.56.

Projected reserves as of the 24/25 financial year end stand to be £850,000 (plus any remaining underspend from the 24/25 budget, and interest). The proposed FY25/26 budget recommends a subsidy from reserves of £115,000.00.

The Town Council's Reserve Policy requires it 'to hold a sum equivalent to 50% of its revenue budget as reserves'. Practically, this requires Morecambe Town Council to hold £650,250.00 in reserve to remain compliant. This figure is exactly 50% of the forecasted FY2526 expenditure budget of £1,300,500.00.

### **In-Year Adjustments**

To ensure the budget remains fit-for-purpose throughout the Council's changing operational landscape, there have been in-year reviews to ensure the budget is performing in line with expectations.

The Council introduced a treasury management system as of November 2024. A new cost code (62) has been introduced where interest obtained will be credited.

As of 31/12/2024, it is anticipated that there will be a budgetary underspend in the 2024/25 financial year in the region of £150k.

A selection of the main reasons for this are detailed below:

It is anticipated there will be underspend in Corporate Services - Staffing (02) due to employee turnover. It is anticipated there will be minor underspends in other cost codes in this area.

It is anticipated there will be underspend in 03 Town Maintenance due to recruitment taking place in December 2024. The budget included a full complement of staff as of April 2024. It is anticipated there will be minor underspends in other cost codes in this area.

It is anticipated there will be underspend in 05 Cultural Services. The Council are yet to appoint an events officer (58). This combined with cost code 45 council events/partnerships may result in a moderate underspend within this area.

It is anticipated there will be underspend in 05 Cultural Services. The website project (61) has resulted in a small underspend due to extensive officer research. It is also anticipated there will be a small underspend in other cost codes in this area.

## **BUDGET LINE EXPLANATIONS**

### **CORPORATE SERVICES**

#### **STAFFING (INC. ANCILLARY)**

Staffing payments for corporate services include annual salary adjustments, medical/occupational fees, reasonable adjustments for protected characteristics, contractual obligations, team building costs, training, parking, contingencies for cover staff, and other possible costs which may arise from unexpected circumstances such as terminations.

*Budget delegation: Proper Officer (operational day-to-day expenditure in line with Contracts of Employment, reasonable adjustments, team building, parking, continuous, personal development plans, and training for role-related outcomes such as H&S) + Personnel Committee (Medicals, terminations etc)*

#### **ADMIN AND OFFICE SUPPLIES**

Office furniture, administrative equipment, printing costs, meeting supplies

*Budget delegation: Proper Officer*

### **PROFESSIONAL SERVICES**

The council does not employ specific staff to undertake specialist roles relating to legal, IT, HR and planning areas. Therefore, budgets have been in place to commission advice in these areas when it is needed.

*Budget delegation: Proper Officer (LALC, Legal) + Personnel Committee (HR) + Finance and Governance (Legal)*

### **OFFICE RENT / ROOM HIRE / SECURITY**

The Council's current rental obligations to Lancaster City Council are £15k per annum. There will also be National Non-Domestic Rates (NNDR) to be collected. In addition to these costs the Council is also required to hire space to host larger meetings such as the Council Chamber and ensure appropriate security arrangements are made in line with hiring stipulations.

*Budget delegation: Proper Officer*

### **INSURANCE**

Includes: Asset Insurance, public liability insurance and motor insurance. It is anticipated that there will be an increase in annual premium/s due to the addition of further public realm vehicles.

*Budget delegation: Proper Officer*

### **AUDITS**

During the past few years, the Council has received challenges to its end of year audit. This has resulted in substantial delays to the conclusion of the audit, and significantly increased the workload of officers, resulting in a backlog of day-to-day work. This budget has increased to accommodate heightened auditor's bills and an appropriate level of staffing to simultaneously resource challenge correspondence whilst providing continuity to normal operations. This budget line has been reduced versus 2024/25 financial year but remains higher than previously to support the response to any audit challenges arising in the 2025/26 financial year.

*Budget delegation: Full Council (Internal Audit + External Audit Costs) + Proper Officer (Staffing/Resource Costs)*

## TRAINING

Training for members and volunteers (particularly for events) is essential in ensuring the safety of the public is upheld and the Council has appropriate oversight and scrutiny.

*Budget delegation: Proper Officer*

## IT INFRASTRUCTURE

There will be a review of IT infrastructure in the new financial year. Councillors currently do not have effective IT infrastructure to access council documentation and communications.

*Budget delegation: Proper Officer + Full Council*

## CIVIC EXPENSES

Town Councillors do not receive any annual allowance. This budget accommodates expenses (such as parking and childcare) that may be incurred whilst undertaking council business.

*Budget delegation: Proper Officer*

## COMMUNICATIONS

### WEBSITE

This budget accommodates the ongoing hosting, maintenance, and development of Morecambe Town Council's website. Ensuring the Council's shop window is fit for purpose and accessible.

*Budget delegation: Proper Officer*

### GENERAL COMMUNICATIONS

This budget includes subscriptions to design software and activities to raise awareness of the Council's activities.

*Budget delegation: Proper Officer*

## COMMUNITY ENGAGEMENT

This budget will provide an annual sum to ensure full engagement with the community is undertaken with regular consultations, and the production of an annual report that can be delivered to all households.

*Budget delegation: Proper Officer*

## TOURISM

Residents have expressed concern at the closure of Morecambe's Visitor Information Centre and Councillors have expressed an interest in exploring opportunities to support the tourism sector within the town as Eden Project Morecambe approaches. This budget will support that purpose.

*Budget delegation: Full Council*

## COMMUNITY GRANTS

### GRANTS COMMITTEE

This budget provides community grants to local organisations. The Community Grants committee meet to review all appropriate applications and accompanying documentation before deciding on awarding any potential funding.

*Budget delegation: Grants Committee (Up to £10K limit, or subject to Terms of Reference agreed by the Council) + Full Council*

## CULTURAL SERVICES

### FESTIVALS / EVENTS (GRANTS AWARDED)

This budget provides grants to local organisations for events and festivals. The Festivals and Events committee meet to review all appropriate applications and accompanying documentation before deciding on awarding any potential funding.

*Budget delegation: Festival and Events Committee (Up to £10K limit, or subject to Terms of Reference agreed by the Council) + Full Council*

## MORECAMBE LIGHTS

This budget provides a sum (agreed in principle) to support Baylight.

*Budget delegation: Proper Officer (for years 2025, 2026, 2027 which have already been approved by full council)*

## EQUIPMENT

Provision of equipment for Festivals and Events.

*Budget delegation: Proper Officer + Festivals and Events Committee*

## COUNCIL EVENTS / PARTNERSHIPS

This budget provides a sum to cover expenditure for council events and partnerships.

*Budget delegation: Proper Officer + Festivals and Events Committee*

## STAFFING / CASUAL

This budget provides a sum to cover expenditure for an Events Officer and casual staff for events.

*Budget delegation: Proper Officer (in line with Contracts of Employment)*

## TOWN MAINTENANCE / PUBLIC REALM

### STAFFING (PERMANENT) (INCLUDES ANCILLARY)

Staffing payments for public realm services include annual salary adjustments, medical/occupational fees, reasonable adjustments for protected characteristics, contractual obligations, team building costs, training, parking, and other possible costs which may arise from unexpected circumstances such as terminations.

*Budget delegation: Proper Officer (in line with Contracts of Employment, reasonable adjustments, team building, parking, and obligatory training such as health and safety) + Personnel Committee (Medicals, terminations, and continuous personal development plans)*

### CASUAL STAFF

This budget provides a sum to cover expenditure for temporary public realm workers.

*Budget delegation: Proper Officer*

### PUBLIC REALM ENHANCEMENTS

The environment committee included a public realm enhancements budget line as part of their bid. This sum will be used to increase the attractiveness of the Morecambe area including but not limited to: additional noticeboards in the town, additional alleyway clearances and provides scope to enhance bedding plant operations and respond to taxpayer queries and issues in the public realm.

*Budget delegation: Environment Committee + Full Council*

### EQUIPMENT

Public Realm equipment purchases.

*Budget delegation: Proper Officer (delivery of public realm service and hand-held equipment), Environment Committee + Full Council*



## FLEET REPAIR

Fleet maintenance and repair.

*Budget delegation: Proper Officer*

## FLEET PURCHASE

The purchase of new vehicles/fleet for Public Realm Service delivery

*Budget delegation: Full Council / Environment Committee / Proper Officer*

## WEED CONTROL (LCC)

This budget line includes the purchase of products to control the growth of weeds. This expenditure is reclaimed from Lancashire County Council as part of the weeding agreement.

*Budget delegation: Proper Officer*

## WEED CONTROL (MTC)

This budget line details the purchase of products to control the growth of weeds in the Morecambe Town boundary. These products are purchased separately to the weeding agreement.

*Budget delegation: Proper Officer*

## SOFTWARE / MOBILES

A budget to cover costs associated with the delivery of public realm services, including computers, geo-tracking location apps, and integrated work schedule solutions.

*Budget delegation: Proper Officer*

## PPE

Provision of personal protective clothing for employees.

*Budget delegation: Proper Officer*

## SPRING PLANTING

Budget to re-introduce a spring planting scheme across Morecambe.

*Budget delegation: Proper Officer + Environment Committee*

## UTILITIES

Budget for electricity/gas/water in relation to Public Realm services.

*Budget delegation: Proper Officer*

## ALLOTMENTS

The Council owns North Heysham and West End Allotment Site. This sum defrays any costs associated with fulfilling its legal obligations.

*Budget delegation: Proper Officer + Environment Committee*

## CONTINGENCY

A sum for unanticipated costs which may arise during the financial year.

*Budget delegation: Environment Committee + Full Council*

## PLANNING & REGENERATION

A sum to continue work on the Neighbourhood Plan.

*Budget delegation: Proper Officer*

## RESERVES

### ELECTION RESERVE

A sum to cover the full cost of a by-election in each ward.

*Budget delegation: Full Council*

## TRAFFIC REGULATION ORDER

To encourage higher tier authorities to implement a road traffic order resulting in an overnight ban on camper van stays on Morecambe Promenade. This reserve will not be spent unless an order has been confirmed by Lancashire County Council.

*Budget delegation: Full Council*

## GENERAL RESERVE

A required sum held to cover the future costs of the Council and improve its financial resilience.

*Budget delegation: Full Council*

## Precept Calculation

With the budget and reserves as presented, the precept is calculated as follows:

It is predicted that expenditure in 2025 - 2026 will total: £1,300,500.00

Budgeted income will total £73,828.07 from the Weeding Service delivered on behalf of Lancashire County Council. This, alongside a Reserves Subsidy of £115,000.00, and an anticipated Underspend from the prior year of £64,000.00 combined with income generation of £40,000.00 results in a total sum of £292,828.07 which will offset the budget.

Therefore, the total precept request required for 2025 - 2026 is: £1,007,671.93

The tax base is calculated annually by Lancaster City Council. The tax base represents the equivalent number of Band-D tax-paying properties in the town and accounts for homes receiving discounts/exemptions and the different council tax bands, allowing for a 99% collection rate. The tax base for 2025 - 2026 is 9922.82. This represents a year-on-year increase in the number of homes covering the cost of the precept.

The tax base and precept are used to determine the final amount each household will pay through council tax.

Based on the total precept required for 2025 - 2026, a Band D household would receive a charge of £101.55. This represents a year-on-year increase of £3.99 (4.09%), which equates to an approximate £0.08p increment per week. As the majority of homes within Morecambe fall within a Band A-C, this would mean the weekly increment for most households would be £0.05-0.07p and between £2.66 - £3.55 per year.

Recommendations:

- 1) That the Council approves to set its budget at: £1,300,500.00
- 2) That the Council use £115K from its Reserves to subsidise the budget.
- 3) That the Council use £64K from its prior year underspend to subsidise the budget.
- 4) That the Council approves to set its precept at: £1,007,671.93