

The Charter Trustees for Harrogate

4 November 2024

Budget Requirement for Harrogate Town Council

Report of the Responsible Finance Officer

1.0 PURPOSE OF REPORT

- 1.1 To seek the views of the Charter Trustees on the proposed budget and precept for the new Harrogate Town Council.

2.0 SUMMARY

- 2.1 North Yorkshire Council is required to set the budget and precept for the new Harrogate Town Council for its first year of operation. Various options are presented for consideration to inform a consensus of the Charter Trustees on an appropriate budget to put forward to North Yorkshire Council.

3.0 BACKGROUND

- 3.1 On 24 July 2024 North Yorkshire Council resolved to create a town council for Harrogate.
- 3.2 As a local precepting body a town council must set a budget for the forthcoming year and notify North Yorkshire Council of the required precept however, under the Local Government Finance (New Parishes)(England) Regulations 2008, as this is a new council, the principal council (North Yorkshire) is responsible for agreeing the Year 1 figure.
- 3.3 The approved precept will result in a council tax charge for the residents of the area covered by the town council.

4. BUDGET AND PRECEPT

- 4.1 The new council, once elected, will determine priorities for expenditure but the opening budget needs to reflect the set-up of the new council and an estimate of basic core running costs.
- 4.2 At this stage the specific costs are not known and therefore it would also be prudent to include a level of contingency to provide some reasonable headroom to mitigate financial and operational risks and also to provide some headroom for initial service delivery considerations.
- 4.3 Proposals therefore include:
- Town clerk (pay scale determined nationally) and administrative support;
 - Core organisational costs (premises, insurance, office costs etc);
 - A small element for civic costs and events;

- Estimate of one-off set-up costs;
- Service/contingency budget to reflect the uncertainty/opportunities of a new organisation.

4.4 At the end of the year (31 March 2026) any unspent balance would be carried forward to the following year, providing funds to mitigate future risk and capacity for service investment.

4.5 In summary based on informal feedback received, the suggested range for consideration, and indicative break down are as follow:

Summary	Budget £000	Comments
Key staff	125	Full time town clerk plus admin support
Minimum running costs	60	Premises, insurance, audit and other support fees (finance and legal) etc
Civic duties/events	26	
Set up costs	51	Interim clerk, equipment and website
Contingency	50 - 250	Contingency for operational risk
Total	312 - 512	

4.6 The council tax base for the new town council is 28,426.89. A precept of £312k would give a Council Tax Band D charge of £10.98 for 2025/26 and at the higher end, a budget of £512k would give a Band D charge of £18.01.

4.7 The 24/25 Band D charge for the other towns in North Yorkshire range from approximately £27 for Knaresborough to £129 for Selby, with the average being £94 (see **Appendix A**).

5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 Options for consideration are concerned with the level of contingency to include in the first year budget. Contingencies ranging from £50k up to £500k have been modelled (see **Appendix B**). Each £50k adds £1.76 to the Band D charge.

5.2 Subject to confirmation following the meeting of North Yorkshire Council on 13 November 2024, in order to help mitigate financial risk in the first year of operation a loan facility may be offered for unexpected expenditure up to a total of £100k. Any loan would be subject to appropriate agreed terms and conditions.

6.0 FINANCIAL IMPLICATIONS

6.1 As set out in the report.

7.0 LEGAL IMPLICATIONS

7.1 The new Town Councils are created by means of a re-organisation order. The Local Government Finance (New Parishes) Regulations 2008 provides for the setting of precepts for new parishes. Regulation 3(2) requires North Yorkshire Council as the

prospective billing authority to anticipate a precept from the new parish council for 2025/26. Regulation 3(2) also requires the reorganisation order to state the budget requirement for the parish council (this will be the same figure as the precept).

8.0 EQUALITIES IMPLICATIONS

8.1 There are no equalities implications.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 There are no climate change implications.

10.0 REASONS FOR RECOMMENDATIONS

10.1 To enable the Charter Trustees to agree a preferred budget for the new Harrogate Town Council to be fed back to North Yorkshire Council for consideration when they formally set the budget and precept for the new town council.

11.0 RECOMMENDATION

11.1 The current Charter Trustees agree their proposed level of budget and precept for the new Harrogate Town Council, for consideration by North Yorkshire Council at their meeting on 13 November 2024.

APPENDICES:

Appendix A – Comparisons with other councils

Appendix B – Budget options/illustrations

BACKGROUND DOCUMENTS:

None

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4 November 2024

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APPENDIX A

Comparison with North Yorkshire Town Councils

These are the ten largest town councils by budget:

Council	24/25 Budget £	Tax Base	Band D £	
Knarborough Town Council	245,180	6,396.52	26.92	*
Thirsk Town Council	249,428	1,851.19	128.43	*
Malton Town Council	252,141	2,371.96	106.30	
Pickering Town Council	286,903	2,969.87	96.60	
Whitby Town Council	325,600	4,972.10	65.49	
Easingwold Town Council	372,762	2,486.84	75.10	*
Northallerton Town Council	435,353	3,540.19	122.97	
Ripon City Council	514,650	5,991.25	76.41	*
Skipton Town Council	570,000	5,658.30	100.74	
Selby Town Council	610,143	4,944.85	128.95	*

* Use of reserves to reduce precept

The average Band D charges range from £27 to £129 with an average of £94



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Examples of other town councils

Town	Population (000)	Band D precept (£)	Total Precept (£000)
		2023/24	2023/24
Crewe	74	87.95	1,260
Shrewsbury	76	63.26	1,670
Bracknell	79	97.35	2,010
Weston Super Mare	85	110.52	2,930
Aylesbury	88	103.21	1,960

Barrow-in-Furness town council, which was newly formed following LGR in Cumbria, set an opening budget (excluding election costs) of £288k



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APPENDIX B

Harrogate TC - Budget options/illustrations

	A	B	C	D	E
	£000	£000	£000	£000	£000
Key staff	125	125	125	125	125
Minimum running costs	60	60	60	60	60
Civic duties	26	26	26	26	26
Set-up costs	51	51	51	51	51
Sub-total	262	262	262	262	262
Service/operational contingency	50	100	150	250	500
Total	312	362	412	512	762
Band D charge £	10.98	12.73	14.49	18.01	26.81

Tax Base 28,426.89