

NORTH YORKSHIRE COUNCIL

13 November 2024

Anticipation of Budget and Precepts for New Town Councils

Report of the Chief Executive and Corporate Director Resources

1.0 PURPOSE OF REPORT

- 1.1 To present proposals for the year 1 budgets and precepts for the new Harrogate and Scarborough town councils following consultation with the current charter trustees.

2.0 SUMMARY

- 2.1 Following formal consultation with the Charter Trustees of Harrogate and of Scarborough, precepts of £362,000 and £384,000 respectively, are recommended for the financial year 2025/26.

3.0 BACKGROUND

- 3.1 On July 24th 2024 North Yorkshire Council resolved to create town councils for Harrogate and for Scarborough.
- 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 figures.
- 3.3 The approved precepts will result in council tax charges for the residents of the area covered by the town councils.
- 3.4 As part of the process for creating the new town councils North Yorkshire has consulted the current charter trustees, being the group of elected members for the areas which the new town councils will cover. The proposals recommended in this report are put forward following consideration of both charter trustee organisations.

4. BUDGET AND PRECEPT

- 4.1 The new councils, once elected, will determine priorities for expenditure but the opening budget reflects 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 is also considered 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, with up to £100k loan from North Yorkshire Council available to the new councils to help mitigate such financial risk in their first year of operation. The specific details, terms and conditions would be subject to future agreement should this be necessary.
- 4.3 The proposed budgets for each council are set out at Appendix A, and 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 (subject to charter trustees' consideration of a NYC loan).

4.4 In summary the Charter Trustees resolved to recommend:

- Harrogate – 2025/26 precept £362,000
- Scarborough – 2025/26 precept £384,000

4.5 The council tax base for the new town councils is 28,426.89 for Harrogate and 13,294.84 for Scarborough, giving the following Band D council tax charges:

- Harrogate Council Tax Band D charge of £12.73 for 2025/26; and
- Scarborough Council Tax Band D charge of £28.88 for 2025/26.

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

5.0 CONSULTATION UNDERTAKEN AND RESPONSES

5.1 Consultation with the Harrogate and Scarborough charter trustees has been undertaken, initially through an informal briefing and then formally at public meetings. The recommendations from these shadow organisations reflect the majority view of those present at the public meetings on 4th November 2024.

5.2 Charter trustees were mindful of the need for the new town councils to set out their vision for their respective towns and to establish their priorities for spending and future budget levels and also the need to provide sufficient funds to provide stable foundations for the new councils whilst balancing the impact on council tax charges for local people. They noted the North Yorkshire Council loan offer but on balance the majority favoured building in sufficient contingency to help mitigate risks.

6.0 ALTERNATIVE OPTIONS CONSIDERED

6.1 Options considered by the charter trustees concerned varying levels of contingency to include in the first-year budget. Contingencies ranging from £50k up to £500k were modelled. Each £50k adds £1.76 to the Band D charge for Harrogate and £3.76 for Scarborough.

5.2 Subject to confirmation following the meeting of North Yorkshire Council on 13th 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 for each town council. Any loan would be subject to appropriate agreed terms and conditions with each town council.

7.0 FINANCIAL IMPLICATIONS

7.1 Details of financial implications are contained within the body of the report.

8.0 LEGAL IMPLICATIONS

8.1 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 the Council as the prospective billing authority to

anticipate a precept from the new parish council for 2025/26. The amount must be stated in the reorganisation order. 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).

9.0 EQUALITIES IMPLICATIONS

9.1 Equalities Impact Assessments were completed during the Community Governance Review and no implications were identified.

10.0 CLIMATE CHANGE IMPLICATIONS

10.1 Climate Change Impact Assessments were completed during the Community Governance Review and no implications were identified.

11.0 REASONS FOR RECOMMENDATIONS

11.1 To allow North Yorkshire Council to set the budgets and precepts of the new town councils for their first year of operation, taking into account the recommendations of the current charter trustees.

12.0 RECOMMENDATIONS

That Council approves the following budgets and precepts for 2025/26:

- Harrogate Town Council £362,000
- Scarborough Town Council £384,000

APPENDICES:

Appendix A – Budget breakdown for Harrogate and Scarborough town councils

BACKGROUND PAPERS:

[Agenda for The Charter Trustees for Harrogate on Monday, 4th November, 2024, 4.00 pm | North Yorkshire Council](#)

[Agenda for The Charter Trustees for Scarborough on Monday, 4th November, 2024, 10.00 am | North Yorkshire Council](#)

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13 November 2024

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Note: Members are invited to contact the authors in advance of the meeting with any detailed queries or questions.

APPENDIX A

Harrogate Town Council	Proposed Budget 25/26 £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	100	Contingency for operational risk
Total	362	

Scarborough Town Council	Proposed Budget 25/26 £000	Comments
Key staff	115	Full time town clerk plus admin support
Minimum running costs	58	Premises, insurance, audit and other support fees (finance and legal) etc
Civic duties/events	15	
Set up costs	46	Interim clerk, equipment and website
Risk mitigation contingency	100	Proposed contingency for operational risk
Service development	50	Proposed contingency for future service considerations
Total	384	