## Appendix 4 – Details of proposed budget for Shipley Town Council 2020/21

Listed below are a number of key considerations that have been given in compiling an estimated budget for the proposed new Shipley Town Council. The budget is also presented alongside the consequent precept.

### 1. Set-up costs

It is expected that some tasks will need to be carried out before the new Town Council formally comes into being and these will be borne initially by Bradford Council.

It is proposed that the estimated costs for Bradford Council in setting up STC should be recharged to the Town Council once established. These are principally once-only costs.

Set-up costs are estimated at £15,800

### 2. Operating costs

These are the costs of being in business, estimated for 2020-21. They consist primarily of salary costs for a clerk – this is likely to be a full time equivalent post. Costs are estimated with reference to the National Association of Local Councils' terms and conditions and job profile guidance.

Many of the ordinary day to day running costs of being in business are unknown and can only be estimated, including the cost of renting office accommodation (although there are many alternatives available to the Town Council). These costs have been estimated using figures published by Ilkley Parish Council as a guide.

As this is the first year there will be no reserves brought forward. Therefore, provision for a revenue reserve is also included to allow for unexpected events or opportunities since the initial precept will be the Town Council's only source of income (excluding a small income from allotments) and it will not be able to raise additional revenue during the year. This reserve would also be used to provide, for example, for the costs of any stand alone by-elections which must be funded by the Town Council.

Operating costs are estimated at £63,100

### 3. Services

Bradford Council cannot impose services on STC. The new town council will determine what services and community support it wishes to provide and how they should be resourced. However, if the first precept for 2020-21 does not include a budget for services the new STC will have no funds for the support and services it intends to deliver. A figure of £58,000 has been included here for illustrative purposes only – Members may substitute a different figure if they think it more appropriate.

### 4. Other income

It is a statutory requirement that Bradford Council transfers its allotments, within the identified boundaries, to the new Town Council – these currently provide rental income of approximately £3,000 ~~(but discounted – see below)~~

## 5. Other considerations

At present unitary councils are unable to raise Council Tax by more than 2% without a referendum. At the current time Town and Parish councils are not constrained by this requirement but there has been much debate over recent years and it is not yet certain that Town and Parish councils will continue to be excluded from this regime for 2020-21.

There is a risk that if a precept was set to cover only the minimum level of set-up and operating costs and did not anticipate a level of service provision the proposed new Town Council would not be able to raise further funds in future periods without a referendum. Setting a precept at a level to be expected when it is fully operational enables any surplus from the first year and any operational savings available to be added to reserves and utilised in later periods. The Town Council also has the discretion to reduce the precept in future years.

The total proposed budget requirement for 2020-21 outlined above amounts to £133,900

Provisional estimates of the tax base for the new Town Council, based on the polling districts identified in the Community Governance Review, indicate 4'462 band D equivalents. A budget requirement of £133,900 would equate to an indicative charge of £30.01 per band D property. This is for illustration purposes only as the tax base for 2020-21 has not yet been calculated.

A break down of the figures is shown below:

### Shipley Town Council proposed budget requirement 2020-21

| **PROPOSED PRECEPT 2020-21** | **£** |
|---|---|
| **Set-up costs** | |
| Furniture | 2,200 |
| IT equipment | 3,200 |
| Website design | 1,600 |
| Telephone | 500 |
| Recruitment | 600 |
| Interim accommodation costs - 2 months prior to first election | 1,600 |
| Interim clerk's salary - 2 months prior to first election | 6,100 |
| | 15,800 |
| | |
| **Operating costs** | |
| Accommodation and room hire | 7,400 |
| Clerk's Salary (10 months) | 30,200 |
| Training (councillors and clerk) | 2,700 |
| Telephone | 700 |
| Insurance | 1,400 |
| Audit | 700 |
| Newsletter, Publicity, advertising and website maintenance | 5,400 |
| Postage and stationery | 2,200 |
| Allowances | 1,700 |
| Repairs | 700 |

| | |
|---|---|
| Contingency / revenue reserve | 10,000 |
| | 63,100 |
| **Services costs** | |
| Projects, Christmas lights, awards, grants | 58,000 |
| **Other income** | |
| Allotments | -3,000 |
| **Total estimated budget** | **133,900** |
| Band D equivalent properties | 4,462 |
| **Band D precept** | **30.01** * |