

Questions submitted from members of the public via email.

Firstly, could the Council please clarify the exact amount of money currently held in its bank accounts? According to the latest publicly available financial records, the Council holds approximately £293,000 in reserves, yet the proposed loan would amount to £200,000. Given this, residents are seeking clarification on the necessity of borrowing funds when there appear to be more than sufficient reserves available to cover the costs of the refurbishment.

As of 15th July 2025, the Town Council has £316,704.62 held across four bank accounts. The bank reconciliation, current budget and remaining funds reports were approved at the meeting held on 17th July 2025 and have been uploaded to [the finance page](#) on the website to show the Town Councils current financial position.

The funds held in the bank are already earmarked for costs as outlined in the budget report, including upcoming projects such as the Christmas lights, as well as designated funds. This includes both costs already incurred and other committed expenditure. These funds are therefore not 'spare' money.

These reports show the budget for 2025/2026 and includes the designated and restricted funds, also the general reserves currently.

The 2024 Joint Panel on Accountability and Governance (JPAG) states that a Council is required to have 3 months of net expenditure in Earmarked reserves. The Council's Reserves Policy is in line with the JPAG requirement and sets out to have 33% in general reserves.

The overall estimated cost to the Town Council in 2018 was £360,000. This comprised:

- £200,000 - buildings purchase;
- £160,000 - buildings renovation and professional & legal fees.

At the Full Council meeting held on 25th March 2021, the Town Council agreed to proceed with the lease and purchase of the buildings, approving an increased lease premium of £235,000.00 and a lease term of 125 years.

The Town Council went to tender in 2023 and the costs of the renovation had increased significantly, primarily due to the impact of the COVID-19 pandemic and rising material costs than originally forecasted. But the Town Council, wanted to ensure the project went ahead and the approved contractor (Tom Willoughby) was appointed at the end of 2023 to carry out the work in phases (Phase 1 – ground floor and Phase 2 – first floor) with a view to start works as soon as possible. Planning permission and a License of Alterations from Leeds City Council were sought at the end of 2023 for Phase 1 but these were not approved until 2025. The Town Council were pleased for the works to commence in April 2025 and they are planned to complete at the end of August 2025. But again the delay with obtaining the planning permission, also came with an increase in the cost and the forecasted cost of Phase 1 as of June 2025 is £289,091.00. The cost of Phase 2 was estimated at £80,000 in 2024.

Tender process and reason for choosing contractor

The Town Council undertook a formal tender process for the full scope of the project. Upon receiving the quotations, it became clear that the actual costs were significantly higher than the original estimates. As a result, the architect requested a schedule of omissions to carry out the work in two phases. The Town Council received the following quotations for Phase 1:

- Contractor A: £293,579.85
- Contractor B (Tom Willoughby): £300,574.93
- Contractor C: £342,337.40

While Contractor B was not the lowest tender, the Town Council appointed them based on a range of qualitative factors. A thorough evaluation was carried out, including reference checks, a review of the company's track record, and an assessment of previous similar projects.

Contractor B submitted a comprehensive and well-supported tender, fulfilling all requirements at the submission stage. Their proposal included fewer caveats and provisional sums, providing the Council with greater cost certainty and confidence in the proposed timeline.

On balance, the Council concluded that Contractor B represented the most viable and reliable option.

Horsforth Town Council took out a loan in order to purchase the buildings and complete most of the internal modifications required. A public consultation was held at the time and this was supported. But due to the increase in costs, the Town Council has had to investigate other funding options including grants and increasing the precept which was not the original plan.

The Council has actively pursued alternative sources of funding to reduce the financial burden of the project on the Town Council and the local community. This includes ongoing applications for grants, consultations with funding experts, and outreach to local businesses.

Unfortunately, the Town Council was not eligible for the larger grants for various reasons.

The Town Council wants to ensure that sufficient resources are available to complete the first floor, cover ongoing running costs (including staffing and utilities), support community activities such as youth groups, and provide the necessary equipment for the building's operation and have sufficient reserves that is required as stated in JPAG.

Additionally, the Town Council needs sufficient funding to continue its other functions such as providing the annual and Christmas event, providing grants and sponsorship to local community groups, purchasing the Christmas lights, maintaining the floral displays, providing new benches and playground equipment to name a few.

Secondly, could the Council explain the full financial impact of this loan? The proposal would result in annual repayments of £13,508.32, which would amount to over £340,000 in total repayments over 40 years, including over £140,000 in interest alone at a fixed interest rate of 6.18%. Given this, we ask the Council to clarify:

- 1. Why is the loan necessary, when existing reserves could be used to fund the refurbishment?**

The loan is necessary because since the project’s inception, the cost of works has increased significantly, largely due to the COVID-19 pandemic and rising construction and material costs. To ensure the building is fully completed, equipped, and open for community use in 2025.

2. How will the interest cost—and the long-term debt repayments—impact local residents, particularly in light of the proposed increase in the precept, which would result in higher Council Tax bills over the next two years?

The proposed loan would be repaid over a 40-year period at a fixed interest rate of 6.18%, with annual repayments of £13,508.32, made in two instalments of £6,754.16. To cover this cost, the Town Council proposes a modest increase to the local precept over the next two financial years. Based on 2025/26 estimates, this would mean an increase of £6,754.16 per year in 2026/27 and 2027/28—approximately a 3.8% rise, or an additional 77p per Band D property annually (subject to variation).

Additionally, any underspend from the annual premises budget would be placed in a designated reserve to enable early repayments of the loan every 5 to 10 years—helping reduce long-term costs to the community.

To break it down for each band please see below the actual amounts per band on a yearly and monthly basis:

Current Yearly amount per council tax Band:

Annual @ Band A	Annual @ Band B	Annual @ Band C	Annual @ Band D	Annual @ Band E	Annual @ Band F	Annual @ Band G	Annual @ Band H
£13.47	£15.71	£17.96	£20.20	£24.69	£29.18	£33.67	£40.40

Current monthly amount per council tax band:

Monthly @ Band A	Monthly @ Band B	Monthly @ Band C	Monthly @ Band D	Monthly @ Band E	Monthly @ Band F	Monthly @ Band G	Monthly @ Band H
£1.12	£1.31	£1.50	£1.68	£2.06	£2.43	£2.81	£3.37

Projected 2026/2027 if loan approved :

Year (including increase):

Annual @ Band A	Annual @ Band B	Annual @ Band C	Annual @ Band D	Annual @ Band E	Annual @ Band F	Annual @ Band G	Annual @ Band H
£14.06	£16.41	£18.75	£21.10	£25.78	£30.47	£35.16	£42.19
+£0.51	+£0.60	+£0.68	+£0.77	+£0.94	+£1.11	+£1.28	+£1.53

Month (including increase)

Monthly @ Band A	Monthly @ Band B	Monthly @ Band C	Monthly @ Band D	Monthly @ Band E	Monthly @ Band F	Monthly @ Band G	Monthly @ Band H
£1.17	£1.37	£1.56	£1.76	£2.15	£2.54	£2.93	£3.52
+£0.05	+£0.06	+£0.07	+£0.07	+£0.09	+£0.11	+£0.12	+£0.15

Projected 2027/2028 if loan approved:

Year (including increase on previous year):

Annual @ Band A	Annual @ Band B	Annual @ Band C	Annual @ Band D	Annual @ Band E	Annual @ Band F	Annual @ Band G	Annual @ Band H
£14.66	£17.10	£19.55	£21.99	£26.88	£31.76	£36.65	£43.98
+£0.51	+£0.59	+£0.68	+£0.76	+£0.93	+£1.10	+£1.27	+£1.52

Month (including increase on previous year):

Monthly @ Band A	Monthly @ Band B	Monthly @ Band C	Monthly @ Band D	Monthly @ Band E	Monthly @ Band F	Monthly @ Band G	Monthly @ Band H
£1.22	£1.43	£1.63	£1.83	£2.24	£2.65	£3.05	£3.67
+£0.05	+£0.06	+£0.07	+£0.07	+£0.09	+£0.11	+£0.12	+£0.15

Total projected increase per band over 2 years:

Yearly:

Annual @ Band A	Annual @ Band B	Annual @ Band C	Annual @ Band D	Annual @ Band E	Annual @ Band F	Annual @ Band G	Annual @ Band H
£1.02	£1.19	£1.36	£1.53	£1.87	£2.21	£2.55	£3.05

Monthly:

Monthly @ Band A	Monthly @ Band B	Monthly @ Band C	Monthly @ Band D	Monthly @ Band E	Monthly @ Band F	Monthly @ Band G	Monthly @ Band H
£0.10	£0.12	£0.13	£0.15	£0.18	£0.22	£0.25	£0.30

3. What is the total amount of interest to be paid over the full term of the loan, and how does the Council plan to explain this financial burden to the community?

As it is a fixed rate loan the increases for the next 2 years will cover all loan repayments including the total amount of interest will be just over £347,000.

The Town Council opted for a fixed-rate loan rather than a variable-rate loan to ensure greater financial certainty and stability over the loan term. A fixed rate provides predictable repayments, which supports effective budgeting and long-term financial planning.

PWLB is the most commonly used route for Parish/Town Councils due to its government backing and suitability for local government use and is applied for through a formal process including obtaining permission from the Secretary of State. This ensures that borrowing is accountable and justifiable.

Additionally, any underspend from the annual premises budget would be placed in a designated reserve to enable early repayments of the loan every 5 to 10 years—helping reduce long-term costs to the community and that would also bring down the interest on the loan long term.

Furthermore, many residents feel that this is a decision that should involve greater community input. Why has the Council decided not to hold a local referendum or public vote on the proposal? especially given the substantial financial commitment and the impact on local taxpayers? It would seem that, as this decision directly affects the future financial obligations of the community, a vote or referendum would be the most transparent and democratic course of action.

The Town Council began this project in 2016 when it registered No 3 and No 5 The Green and The Stables, as Assets of Community Value with Leeds City Council. From then, the Town Council was interested in it becoming a community facility and began investigating how it could happen. Discussions commenced with Leeds City Council to purchase the buildings.

The Town Council wrote to nearly every household, within the town, outlining the proposal to purchase and develop No 3 and No 5 The Green. The letter also explained that it would be likely that the Town Council would have to increase the precept in 2019/20. 92.7% of responses received were positive and in favour of the Town Council purchasing the buildings.

At the Full Council meeting held on 25th March 2021, the Town Council agreed to proceed with the lease and purchase of the buildings, approving an increased lease premium of £235,000.00 and a lease term of 125 years. The process to acquire the buildings took the Town Council longer than initially expected but in May 2022, the transfer of the three properties was completed.

The Town Council has continued to engage with the community since and has had overwhelming support to go ahead as people see the benefit the building will have to the community.

A local referendum on this issue would cost the Town Council and ultimately the tax payer as we would need to make the money back on holding the referendum through an in year precept increase in the region of £30,000-£40,000 – this would include ballot papers, polling cards, polling stations and staff, advertising the referendum, any literature we would want delivered, printing costs and equipment. As you can see this would be a costly exercise compared to the way we are doing it at this moment in time.

If you see above, we believe we have clearly outlined what the impact will be on the council tax payer over the next 2 years. It is a maximum of 0.30 for a band H a month increase.

Any decision that is taken by the Town Council regarding its finances is always done in a careful, thought out methodical manner with clear reasonings as to why we are making the decisions we are

doing. This increase does also impact most of the town councillors and has the full support of the council if the loan was to go ahead.

Throughout the planning for all aspects of the community building, we have actively engaged with residents and local organisations to understand how they feel the space should be used. This engagement has taken place at a variety of community events—including the Farmers Market, the Horsforth Gala, and via Horsforth Matters—as well as through dedicated public meetings.

In addition, a formal consultation was conducted in 2023 with both residents and community groups to gather feedback on the proposed facility. The results of that consultation are available on the “3 and 5 The Green” page on our website.

Finally, in the broader context of the ongoing cost of living crisis, does the Council feel it is appropriate to ask local residents for more money ? at a time when many are already under significant financial strain? While the Council aims to improve its office facilities, which may alleviate operational pressures, how can the Council justify passing these additional costs on to local residents, many of whom are already struggling with increased living costs?

We fully appreciate that many members of our community—including some of our own councillors—have felt, and continue to feel, the challenges and pressures caused by the rising cost of living.

As outlined above, we have made every effort to clearly explain the projected impact on the council tax payer over the next two years. For a Band H property, this equates to a maximum increase of £0.30 per month over that period.

Any financial decision made by the Town Council is approached with care, thorough consideration, and clear justification. We are always mindful of the wider implications for our residents. It is also worth noting that this proposed increase would apply to most of the Town Councillors themselves, and the proposal has the full support of the Council should the loan proceed.

It is important to emphasise that this project is not simply about providing office space for the Town Council. The redevelopment of this building represents a significant opportunity for Horsforth, with benefits for the wider community, including:

Horsforth Museum: Continuing for the Community

As part of the redevelopment, Horsforth Museum will continue to operate as a vital and valued part of the site, offering educational and cultural enrichment for local residents and visitors alike. The Museum will remain a key element of the building, serving the community for generations to come.

As part of this commitment, the Museum is contributing funding towards the installation of a brand-new lift, which will significantly improve accessibility and ensure that more people—regardless of mobility—can enjoy all that the Museum has to offer.

What facilities will No.3 offer for community use?

While No.3 will not operate as a full-time open-access building, it will provide a range of bookable spaces for scheduled community activities, events, and meetings. Please note that these spaces will be available for hire at a reasonable cost, to support the ongoing maintenance and sustainability of

the building.

Facilities available for hire include:

- Fully accessible toilet facilities
- A large ground-floor meeting room
- Ground-floor kitchen area
- Lift access to the second floor and Museum
- A small upstairs meeting room
- An additional upstairs office space

Potential Uses for the Space (identified through previous local consultation)

The following activities and services have been identified as potential uses for the space at No.3, bearing in mind that use of the facilities will involve a hire cost to help support the building's ongoing upkeep and sustainability:

- Youth clubs
- Cooking classes for young people
- Adult learning and education sessions
- Events and meetings for third-sector and voluntary groups
- Museum guest speaker mornings
- Drop-in advice sessions (e.g. Citizens Advice, careers, debt, education)
- NHS community health services

I am keen to understand a bit more re the finer details of the finance package. ie , early repayment penalties , if the facility can be reviewed during the term (if there is a positive moment in interest rates)etc..

Information about the PWLB loan including repayments can be found by clicking the link below.

[faq-july-2018.pdf](#)

I am assuming all grant options had been pursued.

There are many avenues which, I'm sure you will have gone down but it would be interesting to know a little more as from what I can see this is going to cost all horsforth residents a nominal amount over the next few years.

The Town Clerk has actively pursued alternative sources of funding to reduce the financial burden of the project on the Town Council and the local community. This includes ongoing applications for grants, consultations with funding experts, and outreach to local businesses.

Horsforth Civic Society, Leeds City Council and The Museum are supporting the project and are providing funding of £18,000.00.

The Clerk consulted with a professional grant consultant to explore all possible funding avenues and to strengthen the Council's approach to grant applications. However, despite this proactive step, the most promising grant opportunity was ruled out, as it does not support projects where work has

already commenced. Unfortunately, some elements of the project were already underway, making the Council ineligible.

Other available grants were also explored, but the Town Council did not meet the necessary eligibility criteria, or the grants were not aligned with the specific nature and scope of the project.

Questions raised at the Town Council meeting

One member of the public raised concerns about No.3 The Green, including the size of the main room and the limited space, the main entrance and its accessibility, and the cost of running the space outside of business hours. He also offered to assist the Town Council, noting his experience in managing a community space.

The main room at No. 3 is considered a good size with significant potential for a variety of community uses. Several councillors have professional experience working in similar community spaces and are therefore well-informed about its possible applications.

It was noted that the main entrance is located at the rear of the building, and that the public footpath in this area is not wide enough to be easily accessible. While the Town Council has no control over the adjacent public pavements, once the building is open to the public, access will also be possible via an alternative entrance. Additionally, for those arriving by vehicle, disabled parking is available at the rear, allowing convenient access through the main entrance.

The hire of the premises is currently under review. We would like to emphasise that the hire charges will not be designed to generate profit, but rather to contribute towards ongoing running costs. Consideration is also being given to how the building could be hired out without requiring a caretaker on site, in order to avoid unnecessary additional costs.

Another member of the public expressed full support for the community space but asked the Town Council to provide more detail on the project's process and to clarify where the original cost figures had come from.

This matter has been addressed previously in this document.

However, it was noted at the meeting that the Town Council originally made the decision to proceed with the project because Leeds City Council had planned to sell all the buildings to businesses, which would have resulted in the loss of the Museum. To prevent this, the Town Council initiated the project from the outset, with the aim of preserving the Museum and creating a valuable community space.

Please Note:

Town Council staff will be on annual leave from Monday, 21st July 2025 until Monday, 4th August 2025.

Any comments or correspondence received during this period regarding the current public consultation about 3 and 5 The Green will be addressed upon the Town Clerk's return.