

AGENDA ITEM No 7(c)

**TAVISTOCK TOWN COUNCIL
BUDGET AND POLICY COMMITTEE
TUESDAY 26th MAY 2026**

**BRIEFING NOTE
YEAR END 2025-2026**

1. BACKGROUND

- 1.1 The preparation of the unaudited final accounts for the financial year 2025-26 have just now been completed. These are enclosed, as at Appendix (c), for information.

2. COMMENTARY

- 2.1 In general ongoing inflationary pressures have continued to present challenges.
- 2.2 However, there have been some areas where one-off savings have arisen. For example energy costs (reason mild winter and re-tender of contracts), public convenience running costs (Guildhall WC's transfer is taking place now this financial year not last), salaries (lower than anticipated national settlement), property/grounds maintenance (see also Agenda Item 7(a) – proposed virement refers and EMR account reference 328) along with some higher than budgeted interest receipts.
- 2.3 These unplanned and necessarily one-off savings have provided the opportunity to begin to undertake some longstanding and necessary remedial measures regarding, in particular, the Rolling Capital Programme (RCP) and earmarked reserves (EMR).
- 2.4 Copies of the proposed updated RCP (Appendix 1) and EMR (Appendix 2) schedules are enclosed. Attention is drawn, in particular, to:
- a) Contribution to the Burial Land Acquisition EMR;
 - b) Contribution to, as endorsed in principle last year, the Localism EMR;
 - c) Establishment of a Town Hall/Drake Road Sinking Fund to provide a sustainable basis to begin to address future capital costs*;
 - d) Establishment of a Energy Efficiency Standards Sinking Fund* (to start preparation for the 2030 deadline);
 - e) Transfer of a sum equivalent to the cost of the 'new' cherry picker to a dedicated line in the RCP (note this is because proper accounting practices preclude immediate replacement in the Equipment Replacement Fund);
 - f) The balancing amount (£14,205) to the RCP
- 2.5 Note * indicates that this approach, which serves to reduce the need for a general 'unallocated' capital reserve, is also dependent on

annual funding. It very much follows the principles of good heritage estate management already introduced for the Guildhall and Pannier Market/Butchers Hall. In due course it would also be appropriate, if/as circumstances permit, to introduce one more sinking fund for the remaining major heritage asset not under a long lease, namely Duke Street Shops.

3. RECOMMENDATION

- 3.1 The Committee and Council
- i) endorse and adopt the appended Rolling Capital Programme and Schedule of Earmarked Reserves as a basis for improving future financial resilience;
 - ii) review and receive, for information, the unaudited financial accounts 2025-2026.
- 3.2 The instructions of the Committee and Council are sought.

**CARL HEARN
TOWN CLERK
TAVISTOCK TOWN COUNCIL
MAY 2026**