AGENDA ITEM NO 5

TAVISTOCK TOWN COUNCIL
BUDGET AND POLICY COMMITTEE
14th JULY 2026

BRIEFING NOTE
MINIMUM OPERATING BALANCE REVIEW

1. INTRODUCTION

1.1 The Minimum Operating Balance (available funds to meet expenditure) has been managed at £300,000 since March 2025 (previously it was temporarily higher – THI and Guildhall projects refer) due to capital projects coming to an end and less volatility in the cost profile of the Council.

1.2 With the Abbey Remains Project now in a position to commence work, regular payments to cover costs will become due over the next few months, meaning funds will have to be promptly re-imbursed to maintain the current Minimum Operating Balance of £300,000.

2. MINIMUM OPERATING BALANCE REVIEW

2.1 With the largest contract for the Abbey Remains project being iro £375,000 and the overall project forecast at £519,675, payments of a higher value will be necessary over the next 6 months.

2.2 To enable the Council to meet its financial targets for the Abbey Remains Project by ensuring funds are available, the Minimum Operating Balance could appropriately be increased on a temporary basis.

3. CONCLUSION

3.1 In present circumstances the principal option to address the position is to recommend that Council:

a) agree the temporary increase of the Minimum Operating Balance from £300,000 to £500,000 until December 2026.

b) review the position again by the end of this 2026-27 financial year to consider if a reduction/reinstatement is appropriate and, if so, to what level.

3.2 The instructions of the Committee and Council are sought.

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TAVISTOCK TOWN COUNCIL
JULY 2026