AGENDA ITEM No 4

TAVISTOCK TOWN COUNCIL
BUDGET & POLICY COMMITTEE

1st DECEMBER 2026
BUDGET PREPARATION AND PRECEPT SETTING 2027/28

A. PURPOSE OF THE REPORT

To provide the Committee with an opportunity to consider and agree, in principle and subject to final due diligence, the emerging draft Budget for the 2027/28 financial year consistent with the Committee's previous deliberations, and subsequent determinations by Council. Accordingly it should be read in conjunction with prior reports.

B. CORPORATE POLICY CONSIDERATIONS

The effective management of resources and forward planning underpin the delivery of the Council's Strategic Plan 2024-2027. They support its commitment to the economic, efficient and effective use of resources, the promotion of best value, and continuous organisational improvement as articulated in the service planning process. All elements of the Strategic Plan are potentially engaged.

C. LEGAL AND RISK MANAGEMENT ISSUES

The Council is under an obligation to consider, approve and adopt a Budget including, where appropriate, necessary authority for the issue of a Precept upon the relevant Authority.

A Phased Budget Report outlining actual and committed spend against Budget is reviewed at each Meeting of the Council. The Council will also be aware of the ongoing impact of CPI inflation (3.6% October 2026), also differential (higher) inflation levels in areas such as energy, construction and various services alongside increasing costs of employment as new legislation is brought into effect.

Regarding risk it remains the case that the Council does not yet have funds to attribute toward the £500,000 'emergency' capital reserve it has resolved to provide, nor a fully funded Rolling Capital Programme (RCP) to address already identified necessary works. This report sets out preliminary steps to now begin to address those requirements. There remains pressure on commercial income streams (a significant

component of the budget). It remains to be seen if this is a permanent structural shift, or a cyclical market adjustment, although indicators point to the former.

In its deliberations the Committee will be mindful that, in accordance with the law, revenue expenditure may only be funded from revenue (i.e. not capital) funds. Borrowing costs are, in line with interest rates, currently relatively high. It is also noted that a material risk attendant on setting the Budget as at, or shortly after the half year mark, is that final outturn at year end may prove inconsistent with projections, thereby giving rise to a consequential shortfall in funding. In the preparation of this report your Officers have been mindful of the organisational Risk Register, requirement to rebuild reserves, and the Council's commitment to maintain a prudent approach to, and rigorous oversight of, the management of scarce resources so as to continue to deliver affordable, sustainable and effective public services.

D. RESOURCE ISSUES

The resource issues associated with this report are as set out therein, in the attachments, and in previous reports. As outlined both elsewhere and above it is acknowledged there remain challenges to 'business as usual'.

E. ENVIRONMENTAL ISSUES

There are no environmental issues arising directly in connection with this report. However, all areas of spend are subject to review and recommendation at the time of resource allocation through the corporate reporting framework.

F. COMMUNICATION ISSUES

The content of this report has been developed in association with the Council's Management Team and Accountant. It is based upon a review of the financial position as at the half year (end September) and pursuant to the recent instructions of this Committee and Council.

G. RECOMMENDATIONS

The Budget & Policy Committee:

i) consider/review and recommend that the Council endorse, in principle (i.e. subject to final consideration in January) the submitted

draft Council Budget 2027/28 and accompanying information enclosed, including also the Schedule of Proposed Fees and Charges for Council services, Rolling Capital Programme and Fixed Asset Register, as prepared and incorporating adjustments arising from the previous deliberations of the Council, and providing, in particular for the recommendations set out in paragraph 7.4 (1) of the Report including with regard to Rolling Capital Programme, Emergency Reserve, Devolution LGR and Legislation EMR.

ii) Review the list of currently unfunded projects at para 7.4(2), identify whether to add to or delete from same, and recommend the priority order to be attached to the retained projects for delivery through the RCP in future years.

1. BACKGROUND

1.1 The approach proposed for the Budget setting process has been considered by the Committee and endorsed by Council previously. This report is intended to be read in conjunction with those other documents referred to, together with the Phased Budget Report indicating in-year direction of travel and cashflow, alongside related appendices.

1.2 The financial challenges facing the Council have been extensively documented elsewhere. The Council has variously deployed reserves, deferred spend/recruitment, undertaken savings and cost mitigation measures, used commercial income to subsidise community services and sourced external funds where possible. That has led to precept increases below those of its nearest comparator Councils in the County, such as Newton Abbot and Barnstaple (albeit they do not yet deliver the scale, range or complexity of services this Council does). It is also acknowledged that, for size of settlement and gross precept, this Council is anticipated to have the largest responsibilities for estate management and the public realm of any larger local Council in the Country.

1.3 More specifically and notwithstanding the range of financial pressures faced by the Council (alongside others) it does however currently face a specific challenge. Namely that the combination of unanticipated historic emergency works to Market Road Retaining Wall, Town Hall and Museum (following on from additional costs

arising at the Guildhall due to work shut downs/construction inflation etc), exhausted capital reserves. Whilst the General Fund has been restored to acceptable levels it remains the case the Council continues to operate without:

a) an unallocated 'emergency reserve' for capital works (acknowledged by it through policy decisions as essential in view of its large and mainly listed estate); and
b) as a consequence, a challenge in funding arrangements, not only for emergency work (such as the Museum), but also preventative work (such as Town Hall Boiler) or non essential desirable repair & upgrade (such as Pannier Market/Town Hall Audio Visual);
c) a fully funded capital programme (see 1.4 below).

1.4 Turning to revenue, the restoration of the Rolling Capital Programme (RCP) to an operating minimum of £100,000 for the current year was welcome. Accordingly it has been reproduced in the Budget papers attached for 2027-28 (but see conclusion below recommending an uplift). The RCP contribution has been that figure for several years now and Members will be mindful that applying just consumer price index (CPI) inflation over the past 10 years (typically being less than either RPI or construction industry inflation), that figure would now need to be over £140,000 to have retained its real terms purchasing power. Additionally the historic practice of making significant contributions from commercial income is not, for reasons previously outlined, deliverable in the same way in the current economic climate.

1.5 With CPI inflation running at iro 3.6%, and projected to continue above Bank of England target for 2027 any precept increase of a lesser amount therefore represents a cut in real terms purchasing power.

1.6 This report seeks to set out:

i) The 2027-28 budget as prepared in the normal way, and informed by the deliberations of this Committee and prior decisions of the Council;

ii) those currently identified but, as yet unfunded, areas of spend the Council has previously indicated it might wish to explore.

2. ISSUES AND OPTIONS

2.1 Insofar as possible in developing the draft Budget the intention has been to provide informed projections for:

a. Current (2026/27) year-end out turn by Cost Centre and Budget;
b. Income and Expenditure (Budget) in the next financial year (2027-28).

2.2 The Committee will be aware that, at this (half year) stage, full reliance should not be placed on projected year-end figures for income/expenditure, which are necessarily estimates. Some may be more susceptible to uncertainty in this year than others for example where tender returns are to be sought, or the actual cost base(s) associated with transferring assets.

2.3 Consequently it is important to highlight that:-

a) Any projected balances as at year end are necessarily contingent on the issues identified above; accordingly
b) The facility to contribute to/maintain the RCP at year end is potentially related to same. That means, amongst others, that projected underspends, if they materialise, are allocated to priority areas (eg RCP and emergency capital funding).

2.4 In drawing up the Draft Budget your Officers have sought to respect the overall framework and resource envelope of previous years, and acknowledge the deliberations at the last Budget meeting.

2.5 As reported last year, and intimated above, the Council will also wish to have regard to:

i) the potential for unscheduled/unavoidable cost pressures which could arise in view of the scope and scale of its operations/estate, alongside more general cost pressures;

ii) those (currently unfunded) material property related costs that can reasonably be anticipated over the next 1-5 years, as reported by the General Manager within the Community Services Service Plan, and endorsed by Council which include the following outstanding matters (not necessarily in priority order):

P2: Future Capital Investment: To consider the design/specification requirements and provide budget cost estimates for projects pertaining to: 1) Replacement of Town Hall boiler system 2) Replacement of TCOs boiler system (in hand) *3) Replacement of MOC boiler system 4) Refurbishment of tractor shed in The Meadows 5) Removal of contaminated soil in the cemetery compound* (some) *6) Abbey Chapel RWGs improvements 7) PRC Chapel cleaning and RWGs improvements and repairs to office 8) Replacement of Monksmead play facilities 9) Replacement in part of Bishopsmead play facilities 10) Meadows play provision surfacing upgrade 11) Removal of wirescape around Pannier Market perimeter and refurbishment* (in all likelihood replacement or substantial repair to all) *of windows to rear of Duke Street 12) Energy Performance Certificates improvement works* (one unit to date).

NOTE: the foregoing is not a comprehensive list. Furthermore it does not include potential spend on equipment such as tractor replacements, or any overspend (should it occur) on extant project commitments such as the Abbey Remains Project or Multi-Use Wheeled Sports Area, nor those priorities arising since that time (e.g. Museum or Town Hall Dry Rot, or emergency works to street lights) which can be added to the list.

2.6 More generally for interpretation purposes in-year income shown in the current year accounting records is that which has been invoiced (i.e. not income that has been necessarily actually yet received).

2.7 If Members of the Committee have any questions on the detail of the report they are requested to raise them as soon as possible and, in any event, by 2pm on the day of the Meeting so that any necessary investigations can be undertaken.

ACCOMPANYING INFORMATION

2.8 Attached to this report are Appendices setting out, in various formats (such as by Cost Centre and Code, and by Summary), details of the proposed:

i. Budget Detail by Combined Account Code for 2025/26, 2026/27 and proposed for 2027/28 (Appendix 1);
ii. Budget Detail by Cost Centre for 2025/26, 2026/27 and proposed for 2027/28 and Summary by Centre (Appendices 2-3);
iii. Rolling Capital Programme (RCP) (Appendix 4) – provisional for the reasons identified above;
iv. Phased Budget Report to 30th September, 2026 (Appendix 5);
v. A Schedule of proposed Fees and Charges 2027-28 (Appendix 6);
vi. Fixed Asset Register (Appendix 7);
vii. Schedule of Earmarked Reserves (EMR) (Appendix 8).

2.9 Following the deliberations of the Committee and Council in the current round of Meetings, a report will then be brought to Council when the Council Tax Base is known recommending the final 2027-28 Budget and Precept.

NOTE - it is difficult to reliably anticipate the Council Tax Base pending publication by the Billing Authority at calendar year end. Increased pressure on benefits for low income households (and extension of benefit eligibility by the Billing Authority) together with higher mortgage costs mitigate toward a reduction in tax base. However, subject to take up, new housing developments coming on stream, could point toward a modest uplift. Accordingly, and as with the current year, prudence mitigates that, for budgeting purposes, the Council Tax Base for next year can appropriately be treated as likely not less than (ie equivalent to) that of the current.

3. CURRENT FINANCIAL YEAR

REVENUE

3.1 Before moving onto the Draft Budget for the next financial year the Committee will wish to review and anticipate the position both

now (half-year figures applying – actual) and at 2026-27 Year End (projected), as indicated on the enclosures.

3.2 In doing so it will be mindful that the Budget shown for the current financial year in the appended report (Appendices 1-3 refer) has been adjusted to reflect the potential/anticipated changes in out-turn, together with the implementation, as applicable, of previous decisions of the Council. These are however necessarily projections regarding income and expenditure. By way of general practice in principle any areas of projected underspend are allocated first to address projected overspends, then the RCP and capital allocations.

3.3 Attention is drawn, amongst others, in particular to: -

INCOME

Projected outturn is broadly consistent with Budget. Attention is drawn, in particular, to:

i. Code 1010 Rent Received – please note the figure shown reflects rent invoiced, not necessarily that received. Also that with Michaelmas now past, three quarters of income has been invoiced. The report as constituted appears to indicate a positive outturn. However, there are anticipated impacts such as 5 East End Stores transferring to the Works Department and a vacant flat for an expected 6 months pending refurbishment on Duke Street. These suggest that (loss of rent as well as increased business rates/Council tax on other budget heads) the figure will more likely either be comparable to last year or (dependant on timescales for re-letting upcoming vacant units) marginally under last year. Whilst, if that analysis proves correct, it will be disappointing, it still likely represents a resilient performance under conditions of continuing commercial market stress.

ii. Code 1020 Letting Income Invoice – this is assessed as broadly on target overall. However, it should be noted that Town Hall income component, though at the moment performing reasonably against present target, reflects a target which (at £35,000) remains £5,000 less than 4 years ago.

iii. 1040 Market Tolls and 1044 Market Lock ups, again reflecting the broader economic position these may come in

at or slightly, but not appreciably, under target following increases in fees introduced this year.

iv. 1077 Grants Received – the budget will shortly reflect both the Historic England grant of £195,449 and National Lottery Heritage Fund (figure applied for iro £249,000). Both relate to the Abbey Remains Project. Similarly grants for the MUWSA[1] are yet to be confirmed. The Committee will note that, in both these cases, there is a necessary additional complexity to ensure correct management of VAT liabilities to reflect the non-standard governance arrangements.

v. Code 1090 Interest Received – the figures shown reflect interest rates which are presently trending higher than anticipated with recent spikes in inflation and accompanying upward pressure on Bank of England interest rates. It therefore represents a positive contribution, contrary to expectations when setting the current years budget.

EXPENDITURE

i. Code 4001 Salaries – agreement was reached as between the Employer and Employee sides for the 2026-27 financial year in the figure of 3.3% national award. Any projected surplus 'in centre' such as arising due to vacancies or maternity leave has been repurposed, in line with recent decisions of Council, to support contingency arrangements associated with the organisational review of the Job Evaluation (JE) scheme.

ii. Code 4014 Electricity and 4015 Gas – these contracts were retendered last year to run to January, 2028. Spend typically very much depends on winter weather - severity and duration.

iii. Code 4025 Insurance – this is currently subject to a continuing contract with annual uplifts.

iv. Code 4108 Christmas Lights – although not yet showing there is a material impact this year and going forward. Last year related electricity charges were £723. This year they are anticipated at £4233. This reflects a regulator OFGEM decision which impacts non metered supplies across the Country. Our supply is provided via WDBC infrastructure. This will be a continuing – expected increasing, impact. It

[1] Multi Use Wheeled Sports Area – grants being sought by Taviskate

is understood that one Town (smaller than Tavistock) in the County has received an invoice in excess of £20,000.

v. Code 4120 Ex WD Public Toilets – reflects that transfer is not yet complete. After payment of cleaning costs to the current provider any unutilised balance will be carried forward to support the RCP in the normal way.

4. NEXT FINANCIAL YEAR

REVENUE

4.1 Informed by the projections included in the prior section, and the previous deliberations of this Committee and the Council, some of the core assumptions which have been adopted/issues identified insofar as the projected Draft Budget for the next Financial Year (2027/28) is concerned, relate to:-

INCOME:

a) Grants (in particular regarding the Abbey Remains Project – both awarded and anticipated) are addressed separately and are listed under the RCP at year end subject to receipt. It is noted that the Multi Use Wheeled Sports Area is substantially underachieving against project requirements for grants, an area which a partner body leads on. Unless that changes materially the project, in current form, is not viable.

b) Code 1010 Rent Received – as outlined above, and in recognition of a difficult trading environment this has been retained broadly as is (26-27) acknowledging loss of income from 5 East End Stores and pressure on retail.

c) Code 1020 Letting Income – this has also been retained in broadly the same terms notwithstanding some increases in charges.

d) Code 1040 Market Tolls – there have been a number of increases in Market Tolls in recent years, most recently for this year (2026-27) when they were increased by approaching 5%. Reflecting that, and a commitment to traders, alongside high street pressures as a whole which leave the trading environment challenging, no increase is recommended. The Market Reeve was tasked with increasing occupancy over budget by 5% to boost market income rather than increase fees.

e) Code 1090 Interest Received – the figures shown reflect best estimates regarding anticipated interest rates. They

therefore indicate a projected increase on current year - notwithstanding that increased actual interest is, in part at least, offset by accompanying inflationary pressures. However this still provides some relief.

EXPENDITURE

vi. Code 4001 Salaries – this is somewhat difficult to predict inasmuch as there are a number of potentially variable factors, not least what any National Pay Award 2027-28 might actually be. In general Local Government remuneration (entry level posts apart) has fallen behind the public sector pay increases as a whole in recent years. As reported last year some relevant factors include:

- the potential impact of any revised threshold the Government sets in relation to the National Living Wage on the structure of the National Pay Award;
- The additional cost of upcoming legislative changes to Employment Law in general;
- The formalisation of the (previously) temporary arrangement deploying budget from a vacant Duty Officer position to other roles (the Duty Officer establishment accordingly reduces from 3 to 2).

The provision proposed overall anticipates increased costs (pay award/increments etc) of up to 5% accompanied by the JE estimated contingency referred to of £50,000 (acknowledging final outcomes may require more or less). This year the national employee side pay claim is for an increase of 8% or £3,000 (whichever is the greater) on all pay points. On the basis of past outcomes clearly the final settlement will be materially less, details of the employers' final offer are expected toward the in the last quarter of the current financial year.

NOTE – by way of background, in practice it is possible that any future National Award may again follow recent (the past two years apart) practice (i.e. a fixed amount per employee and not a % of salary so as to advantage the lower paid) meaning staff at different levels will receive a different % uplift with accompanying recruitment/ retention issues into non entry-level roles.

vii. Code 4004 Wages - this budget has been retained to reflect recent experience.

viii. Code 4005 Agency Staff – in view of the organisation moving to full staffing levels no provision has been made but, as the current year indicates, this is a risk area.

ix. The revenue Code 4000 Devolution, Local Government Review & Legislation has been continued to ensure a basic level of preparedness for (anticipated or not) calls on revenue spend arising from those sources. Note: an earmarked reserve has been created for any unspent monies in a year in order to provide a more meaningful resource for when (not if) impacts arise and enable the Council to act promptly to support community interests where it determines to do so. For reasons outlined later this EMR has not been funded beyond £1.00 this year.

x. Code 4011 Rates – the figure shown includes provision for the anticipated increase arising from the Council taking back 5 East End Stores on a trial basis to provide office accommodation for Market Management staff.
Overall provision for national increase for business rates of 3.35% has been applied.

xi. Code 4012 – Water Rates – an uplift reflecting the stated position of the provider to increase charges by 23% over the next 5 years alongside a contingency provision for the Cemetery – under review by the Works Department.

xii. Codes 4014 Electricity and 4015 Gas. As noted previously, there is a risk in relation to continuing market increases. Prices the Council pays in contract are broadly assured, but not guaranteed.

xiii. Code 4016 Cleaning and Rubbish - an increase has been applied. On recent performance this budget head may come under further pressure.

xiv. Code 4017 Licence/Software – increase to reflect rising costs.

xv. Code 4020 Miscellaneous Expenses – the change in budget reflects changes agreed last year to separately identify Goose Fair costs (4122 refers).

xvi. Code 4021 Tel Calls/Broadband - an increase to reflect increasing costs.

xvii. Code 4025 Insurance - as noted previously an annual escalator applies to rates during the contract term. This

year that equates to an increase of 10% or iro an additional £10,000.

xviii. Code 4033 – Civic Ball Expenditure – an increase to reflect increasing costs (prior report to Committee/Council refers) albeit this year costs exceeded the revised budget by £750.

xix. Code 4036 Property Maintenance – unchanged, however linking to the RCP position it is acknowledged that this budget head is expected to come under increasing pressure so will require monitoring.

xx. Code 4037 Grounds Maintenance - this was previously uplifted in response to representations from the Works Manager in connection with legacy/upcoming works (most especially an additional temporary provision of £5,000 for trees, thereby lifting the base budget from £30,000 to £35,000). Accordingly the budget was going to be re-instated to normal operating levels for 2026-27 and then 2027-28. It has in fact been retained at £35,000 on a one off basis given cost pressures.

xxi. Code 4042 Equipment Maintenance – a change (cost neutral) disaggregating £15,000 from this budget to add to 4042 Equipment Maintenance (for play equipment provision) at the request of the Works Department.

xxii. Code 4045 IT Maintenance/Support has been increased to reflect current year projected outturn.

xxiii. Code 4050 'Poop Scoop' – an increase to reflect increased charges from WDBC.

xxiv. Code 4058 Professional Fees – Properties. A material uplift has been applied to reflect both retendering of property services and potential (separate item), for a more robust approach to heritage property maintenance underpinned by a programme of quinennial reviews.

xxv. Code 4067 Community Grants – the budget has been retained to reflect the facility to support eligible community initiatives financially. The Committee will also be mindful of the various other 'in kind' support provided by the Council to community groups. However it has been at this level for some time now.

xxvi. Code 4078 Localism – the allocation has been maintained at the adjusted level (following conclusion of the NDP) two

years ago. If a review of the NDP were to be undertaken it would be funded from this budget head in the same way.

xxvii. Code 4092 Toilet Cleaning Cont (WDBC) – the provision reflects the anticipated grant the Council makes to support these particular facilities.

xxviii. Code 4108 Christmas Lights – no additional provision has yet been made but (see p9 above re unmetered supplies) impacts are anticipated.

xxix. Code 4120 Ex WDBC Public Toilets – a 5% uplift has been applied. The proposed cost allocation does not cover the cost of shared restoration works to bring the premises into satisfactory order (RCP refers), and therefore represents an area of uncertainty/estimate. There is also the potential that, with the Borough wide cleaning contract coming to an end this financial year, it reviews its other obligations for toilet provision in the town with consequential impacts.

xxx. Code 4122 Goose Fair Expenses – it is acknowledged that there is a concern WDBC may materially increase street cleaning charges for Goose Fair – this is a risk factor.

xxxi. Code 4800 RCP Provision – the Committee will note the return to funding (after emergency measures two years ago) to the minimum annual funding requirement (£100,000). As noted above, this overall sum is now becoming very much a minimum/minimal annual contribution figure for a Council with the property based responsibilities Tavistock has and will require monitoring and rationing against anticipated calls on resources. See also below re RCP and a proposed increased contribution.

xxxii. Code 4815 CAP New Plant and Vehicles – purchase of a replacement Mobile Elevating Work Platform vehicle (MEWP) was undertaken in 2026-27 in the sum as listed. However, it needs to be borne in mind that, in accordance with accounting practices, this has been funded by drawing down the available (vehicle specific) balance in the equipment reserve and then transferring the residual claim to the RCP.

xxxiii. General – there are a range of other areas where adjustments have been made to reflect anticipated modest cost increases reflecting upcoming elections in areas such as 4097 Councillors IT Allowance and more particularly 4008 Courses/Training. The basic allowance is linked to

WDBC and special responsibility allowance has been recently revisited.

5. OTHER MATTERS

5.1 Fees and Charges – a Draft Schedule of Fees and Charges for 2027-28 is enclosed (Appendix 6) incorporating recommended changes from your managers. Please note these do not include Guildhall (also Goose Fair Park and Ride is included for information only) which are differently administered. However, the impact of these is not anticipated to represent a material factor in balancing the budget for reasons outlined above.

5.2 VAT – there is, as reported previously, an ongoing element of uncertainty/risk associated with changes to HMRC guidance in connection with treatment of VAT and Markets, which continues under review.

5.3 Unforeseen calls on funding (other than regarding the Council Estate). There remains the possibility that, in view of the long-standing impact of financial pressures across the Public Sector, or Local Government Reorganisation, the Council may be called upon to take on additional services/costs. Libraries continue to represent a potential risk area, but there will undoubtedly be others which emerge as financial pressures increase. Unless provision is made for these in a timely and managed way– such as through dedicated revenue and/or earmarked reserves, the Council may not be able to respond on behalf of the Community where it considers it appropriate to do so. Provision is included accordingly.

5.4 Other Provision: –

i. Rolling Capital Programme (Appendix 4):- this has been updated to reflect in year commitments, most especially:
   - Draw down for vehicle replacement (4815) – as previously referred to, a balancing portion of the cost of the MEWP purchase has been set against the RCP in year. This has had the effect of reducing the RCP by iro £29,000.
   - Inclusion of provision for street light emergency replacement phase 1 £25,000.

- Apportionment of Museum professional fees from the revenue budget to the applicable RCP head (£9315) (4844).
- Council offices Boiler replacement (£35,000).

NOTE: The projected available opening RCP balance in 2027-28 is therefore anticipated at £80,748 if a transfer of £100,000 is made at year end in the normal way. This would represent the total available sum to deal with the items listed at para 2.5(ii) above. Moreover, it does not enable provision for any unforeseen emergency works arising, or other projects that have been discussed but are not yet funded. These include but are not necessarily limited to:

- Museum emergency repairs (best case scenario est'd £36,000, but note the unsuccessful MEND grant application was for a figure of iro £1m);
- Street light emergency replacement phase 2 (est'd £15,000 - £20,000);
- Town Hall Boiler replacement (est'd £60,000)
- Proposals for Pannier Market/Town Hall Audio Visual (est'd £35,000);
- Any additional calls for resources on current projects over and above budgeted amounts.

Supplemental:

- a risk factor of up to in excess of £100,000 shortfall in external funding has been currently identified regarding the Multi-Use Wheeled Sports Area project. This is also not included on the RCP pending finalisation of the position regarding grants and any decision by the Council then whether or not to proceed (and if so on what basis – increased costs, reduction in scope etc) at that time.
- the current RCP budget line for Guildhall Toilet refurbishment is necessarily an estimate pending agreement from the disposing Authority on the scope of necessary works and contingent on equal match funding from same.

ii. Earmarked Reserves (appendix 8) (excluding extant policy position)

- 321 RCP – agreed minimum transfer (£100,000) – but see below;
- 323 & 346 - no provision for any uplift to either the Burial Ground or Allotment extension EMR's;
- 343 Guildhall Interpretation, whilst this will not show til year end, a contribution of £7,500;
- It was anticipated (subject to available balance at year end) to create a Devolution, LGR and Legislation reserve of £50,000 as outlined above and previously considered by the Committee. This remains provisionally included and, if approved will show as at year end (ie it is included). However, it is acknowledged that this allocation represents an opportunity cost if it is made or indeed if it is not made and the Committee may wish to take a different view short term (see conclusion below).

6. COMMENTARY

6.1 Commercial income streams have, and continue to be, under pressure in line with most businesses and being accompanied by above inflationary increases in associated cost bases. This is a factor for Tavistock Town Council in a way that is not normal for most Councils - which typically generate an overwhelming proportion of (excluding CIL and Grants) income from Precept. Although Tavistock has a made Neighbourhood Development Plan CIL funding is not available to it in the absence of a Scheme being adopted by the Local Planning Authority (where a Scheme is in place the local Council is entitled to 25%). Most significantly at this time the lack of unallocated reserves to support capital projects presents a challenge both to scope of activities and, potentially cash flow.

6.2 With Local Government Reorganisation scheduled in the County it remains the case that the focus, role and/or responsibilities of the Council could – likely will, based on experience elsewhere (such as Somerset and Dorset), change substantially over the next four years as new cost bases arise. Following on from the deliberations last year at this stage a preliminary/initial £50,000 provision (EMR) has been suggested for things such as changes to the Library Service, devolved services or cost centres from Principal Authorities/public bodies such as the Police, increased

regulatory burdens, CCTV, Protect Duty, Employment Rights Bill, liabilities/services etc. This reflects in part an emerging view of the Police and principal Councils that local Councils can and will be expected to subsidise the larger public bodies by taking on some of their financial liabilities/responsibilities at the expense of the local ratepayer. However, the recommendations below, if adopted, temporarily defer this to address the longstanding commitment to rebuilding resilience/capacity to administer the Council estate.

7. RECOMMENDATIONS

7.1 In current circumstances the draft Budget, subject to the additional recommendations below, represents the most prudent approach that can be identified consistent with the commitment to seek a single figure precept. It is broadly consistent in terms of increase with other sector bodies where Social Services Authorities are expected to Precept next year (4.99%) and the Police precepted this year (5.2%).

7.2 Given the downside risk associated with relying on underspends it is not without risk, most especially should year end projections not materialise. In other circumstances your officers would normally recommending a higher increase for the reasons listed above.

7.3 Similarly going lower could open the organisation to future risk, either in 2027-28 or succeeding years. Accordingly the proposal as submitted seeks to balance both ratepayer and organisational interests.

7.4 Your Officers therefore recommend that the opportunity now be taken to address the underlying/fundamental challenges facing the Council by recommending:

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a) bearing in mind the one year delay in Government reorganisation proposals

i) repurposing the provisional Devolution LGR and Legislation EMR allocation (£50,000, subject to availability at year end) to an uncommitted Emergency

Maintenance EMR; and agreeing a minimum annual contribution to that new EMR thereafter of £50,000 until such time as the Council's strategic minimum priority of £500,000 is achieved[2]; and

ii) endorse that instead the Devolution LGR and Legislation EMR now be constituted for 2027-2028 in the nominal sum of £1.00, and then an allocation of £50,000pa in the next (2028-29) budget setting round and thereafter to provide for anticipated future calls on resources;

b) increase the RCP contribution this financial year from £100,000[3] so as to achieve a net contribution of £150,000 (subject to availability of funds to repurpose at year end 2026-27);

c) endorse future annual minimum contributions of £150,000 to the RCP so as to adjust for past inflation and avoid continuing underfunding.

d) Agree continuation of the principle for main/new projects (as applied previously regarding Guildhall Toilets) of hypothecating against the Precept.

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e) Subject to the foregoing, to then provide a systematic and objective basis for future RCP spend to identify the order of priority (ranking) it wishes to attach (or to remove, or add as appropriate) to the following previously identified and currently unfunded projects for inclusion on the RCP as funds become available in future years:

i) *Replacement of Town Hall boiler system (est £60,000)*

ii) Replacement of MOC boiler system (est £26,000)

[2] This is not a 'what if' fund. It is proposed as a dedicated reserve to only be used in extreme/genuine emergency circumstances such as to address a strict legal obligation attaching to significant organisational consequences. Ie it only serves its purpose until the agreed minimum operating threshold is met if it is a fund available only in extremis – it is *not* a top up fund to subsidise the RCP or a failure to plan and fund known works.

[3]

iii) Refurbishment of tractor shed in The Meadows (est £15,000)
iv) Removal of contaminated soil in the cemetery compound (est £20,000)
v) Abbey Chapel RWGs improvements (est £15,000)
vi) PRC Chapel cleaning and RWGs improvements and repairs to office (est £20,000)
vii) Replacement of Monksmead play facilities (est £100,000 (some grant may be achievable subject to timings)
viii) Replacement in part of Bishopsmead play facilities (est £50,000 – grant potential as above)
xi Removal of wirescape around Pannier Market perimeter (est £30,000)
xii) refurbishment (in all likelihood replacement or substantial repair to all) *of windows to rear of Duke Street (est £75,000) – also potentially a contractual (all) and statutory (residential) obligation*
xiii) Energy Performance Certificates improvement works (one unit completed to date) *(est cost subject to service plan review)*.
xiv) street light replacement (safety issue) (est £20,000)
xv) Museum bare/minimal works (est £50,000);
xv) Town Hall/Panner Market AV improvement works (est £35,000)

7.5 The foregoing approach, if adopted, will require discipline and resolve to deliver and goes some way to address the challenges facing the organisation. It supports the Council to maintain its estate (which forms so much of the public realm of the Town) by restoring the real value of the RCP, making provision for reasonably expected impacts to the Council and sector and clear prioritisation of activity.

NOTE

- the foregoing list ((i)-(xv) refer) are necessarily in the main preliminary estimates of costs (where available in a total of £516,000). These are not presently funded. Once prioritised

for importance the intention being to incorporate in the RCP each year to deliver in order of priority and availability of funds.

- as such they include works which (subject to selection/prioritisation) are:
    - mandatory on the Council (eg rear of Duke Street, energy compliance);
    - accompanied by other legal obligations (eg Museum – (potential Building at Risk), health and safety - street light replacement,
    - necessary for structural integrity (various);
    - desirable but non-essential, Town Hall/Market AV improvement, Tractor shed refurbishment.
    - Phase-able (eg contaminated land).
- Some may be grant fundable. For example efforts were made to submit an application to the WDBC Community Hall grant scheme toward the AV equipment in 2026 but detailed costings were not available. Similarly a MEND Museum grant application was not successful.

8. CONCLUSION

8.1 The foregoing approach, if adopted: provides, a single figure Precept increase (which after adjusting for inflation at 3.6% is in the order of 2.23% net). In doing so it:

- Rebalances the underlying RCP, to protect, maintain and enhance the extensive aspects of the public realm for which the Council is responsible;
- Initiates a 10 year programmed approach to rebuilding an unallocated capital reserve ring fenced for major emergency works of £500,000 to meet the requirements of current Council policy and safe operating cover in accordance with Minute No 74 (2022-23);
- Provides a basis for arrangements (albeit not in the current financial year), to prepare for the impacts of Devolution/Local Government Reorganisation/legislative impacts.

8.2 As such it seeks to respect the position of the ratepayer and obligations of the Council. However, it is important to note that if projected underspends do not materialise as expected then the

contribution to both the RCP and the Emergency Maintenance EMR will need to be reduced pro-rata.

8.3 Subject to the deliberations of the Committee and Council, the final Budget proposal will be brought forward when the Council Tax Base for 2027-28 becomes available.

8.4 The instructions of the Committee and Council are sought.

CARL HEARN
TOWN CLERK
DECEMBER 2026
TAVISTOCK TOWN COUNCIL