

**TAVISTOCK TOWN COUNCIL
BUDGET AND POLICY COMMITTEE
TUESDAY 21st JANUARY, 2025**

**BRIEFING NOTE
INTERIM EXPENDITURE REVIEW**

1. INTRODUCTION

- 1.1 Following the Council's longstanding arrangements it is now possible at month 9/10, to identify those budgets that, at this time, indicate the potential to overspend.
- 1.2 In comparison to last year when it was reported that the Property Maintenance (4036) code was overspent, this year there is presently the potential for 2 codes to be overspent at year end.
- 1.3 The Financial Regulations of the Council mitigate against unapproved/unaddressed overspends.

2. CURRENT POSITION

- 2.1 The codes identified are –
 - **Equipment Hire (4041)** – due to the floods in May, equipment was hired to remove the water from council property basements and then de-humidifiers were hired to remove the remaining water/dry the premises.

As can be seen from the phased budget report this budget now has a minimal amount remaining, but with 3 months still remaining has the potential to overspend.

- **Equipment Purchase (4046)** – new works equipment has been purchased due to ageing equipment and the timing of when replacements are needed. Now that the capitalisation threshold has increased to £5,000, added pressure may fall on this budget to absorb the spend on new equipment.

This budget is close to maximum spend, which would have been exceeded were it not for some items purchased being re-classed as grounds maintenance (£3,000 track mats).

For clarity the way that the equipment purchase code operates is blended with other codes - most especially with property maintenance. That means that in general terms maintenance of fixed items – such as electric doors, fire/intruder alarms etc is

costed to property maintenance reflecting the nature of the activity. Equipment purchase then being used for temporary or one-off items (like play equipment).

- 2.2 More generally the process adopted in accounting for such matters is convention based, namely to ensure costs are coded to the right code under the right cost centre. This enables transparency in reporting and the easy ability to look back at historical years on a comparable basis.

3. CONCLUSION

- 3.1 In present circumstances therefore it is recommended that:

The Committee and Council acknowledge the potential for the above overspends (as year on year it is hard to predict when the spend in these areas will occur) – Codes 4041 and 4046 refer and, subject to ongoing monitoring to restrict further expenditure so far as possible this year, agree that they be funded at year end from any available underspends in other areas, with a primary focus on the property maintenance budget.

Note: regarding property maintenance there remains a degree of uncertainty in connection with the cost position of damage remediation works not yet commenced at Market Road and Abbey Walk arising from vehicular/storm damage.

- 3.2 The instructions of the Committee and Council are sought.

**ADELE CASSIDY
FINANCIAL ADMINISTRATOR
TAVISTOCK TOWN COUNCIL
JANUARY 2025**