

REPORT TO FINANCE COMMITTEE

FINANCIAL IMPACT OF COVID PANDEMIC

Report Reference F-20-03
Meeting Date 19th January 2021
Agenda Item 8
Prepared by Town Clerk



1.0 BACKGROUND

This is an updated version of the report prepared for the March, July and September committee meetings and provides a brief overview of how the council's finances are/likely to be affected. As the outbreak is ongoing the information in this report is not final and will change. Estimates are based on currently available information.

2.0 FINANCIAL IMPACT BY SEVERITY

The impact of the COVID pandemic on each cost centre has been assessed by the Town Clerk and categorised into four categories High (> £10,000), Medium, (£6,000 - £10,000), Low (£500 - £6,000) and Insignificant (< £500). A summary of the impact for Low, Medium and High impacts are detailed below.

The resultant position is a positive effect (reduced expenditure) of £2,750. Note that this relates solely to the finances affected by COVID and is not necessarily indicative of the council's overall projected year end position.

2.1 HIGH SEVERITY

No cost centres have been affected in the High Severity category.

2.1 MEDIUM SEVERITY

Cost Centre	Impact (£)	Impact	Explanation
103 - Grants	-6,000	POSITIVE	Reduced number of grant applications, potentially due to reduced community group activity.
401 – Christmas Events	+9,500	POSITIVE	Cancellation of switch on, lantern parade, crib service resulting in reduced expenditure.
402 – Christmas Market	-8,800	NEGATIVE	Drastically scaled back event resulted in the event being a loss maker compared to a profit maker; this is partly due to costs that would be part of the Christmas Events being solely coded to the Christmas Market (e.g. bins, traffic management etc)
440 – Music Festival	+6,500	POSITIVE	Cancelled event resulting in reduced expenditure.

2.1 LOW SEVERITY

Cost Centre	Impact (£)	Impact	Explanation
101 – Central Admin	-2,500	NEGATIVE	Reduction in interest rates across all major/secure institutions lowered yield on investments.
104 – Mayor’s Civic	+2,750	POSITIVE	Reduced expenditure due to restrictions reducing the number of civic events attended by the mayor.
420 – Pumpkin Path	+2,000	POSITIVE	Scaled back event resulting in lower expenditure.
450 – Other Events	-2,150	NEGATIVE	Cancelled Makers Markets/scaled back reduce income from the event; VE Day event cancelled reducing expenditure.
501 – Public Toilets	-1,050	NEGATIVE	Reduced income in April/May, no impact in November. Expected reduction in Jan/Feb.
510 - Markets	-1,500	NEGATIVE	Rents waived for traders unable to trade during the national lockdowns; has also affected recruitment of a new trader for the vacant stall. Received £10,000 grant from CEC to mitigate losses.
560 – General Operations	+500	POSITIVE	Some additional expenditure (e.g. Zoom) but reduced expenditure due to office closure and changes in working practice e.g. reducing printing and postage. Reduced expenditure on venue hire (no town meeting)
600 – HR	+3,500	POSITIVE	Recruitment of new Civic Events Officer deferred for a due to restrictions affecting workload, reduced travel and associated costs.

3.0 DECISIONS REQUIRED

None, information only report.