

# REPORT TO FINANCE COMMITTEE

## FINANCIAL IMPACT OF COVID PANDEMIC

**Report Reference** F-20-06  
**Meeting Date** 27<sup>th</sup> April 2020  
**Agenda Item** 9  
**Prepared by** Town Clerk



### 1.0 BACKGROUND

This report is an update version of the report prepared for each committee meeting since the pandemic commenced. Noting that the council is now in the first month of the new financial year, the report looks at the impact at the end of the 2020/21 financial year and there is some commentary on potential impact for the current (2021/22) financial year.

### 2.0 FINANCIAL IMPACT BY SEVERITY 2020/21

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 £14,415. Note that this relates solely to the finances affected by COVID and does not take into consideration over/underspends across the council for non-COVID reasons.

#### 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	+6,900	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	+2,950	POSITIVE	Reduced expenditure due to restrictions reducing the number of civic events attended by the mayor.
420 – Pumpkin Path	+1,325	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	-700	NEGATIVE	Reduced income in April/May, no impact in November, reduced income in Jan/Feb partly attributable to building works not COVID.
510 - Markets	-1,400	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	+350	POSITIVE	Some additional expenditure (e.g. Zoom) but reduced expenditure due to office closure and changes in working practice e.g. reducing postage. Reduced expenditure on venue hire (no town meeting)
445 – Taste Knutsford	-560	NEGATIVE	Inability to hold tours prevented income generation (budgeted for surplus)
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 FINANCIAL IMPACT 2021/22

### 3.1 POSITIVE IMPACT

The council will continue to have reduced expenditure on civic costs during the period where the Town Mayor is not being invited to events. It is anticipated the diary will begin to get busier from June/July as restrictions are lifted.

The Bunny Hop was cancelled resulting in an insignificant saving of a few hundred pounds. It is hoped that the remainder of the council’s event calendar can proceed in the latter half of the year.

The recruitment of the Civic Events Officer is currently in progress; there will be a low scoring saving against budget.

### 3.2 NEGATIVE IMPACT

Low interest rates continue to affect the council’s yield on its balances, however this was factored into budget setting.

The Market Hall rents were waived for traders unable to trade during the early part of the financial year (to 12<sup>th</sup> April) and for the Café until 17<sup>th</sup> May when it can accommodate seated customers. The pandemic is continuing to deter potential traders from signing up to fill the vacant stall.

#### **4.0 DECISIONS REQUIRED**

None, information only report.