



## Policy and Finance Committee

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**Date:** 21 June 2021

**Title:** Impact of the Pandemic Crisis on Town Council Finances

**Purpose of the Report:** To provide Members with an update position on the way the pandemic has impacted Town Council Finances.

**Contact Officer:** Mark Saccoccio - Town Clerk  
Sarah Sandiford – Deputy Town Clerk  
Clare Cummins – Finance Officer

<b>Corporate Objective/s</b>		To consolidate processes and procedures, ensuring operational efficiency and a structure which will underpin future service delivery by the Town Council.
<b>Implications:</b>		
<b>Financial</b>	Yes	To provide Members with an update position in respects of the financial situation and to consider the potential creation of an earmarked reserve for the purposes of future proofing the White House building and other town council assets.
<b>Operational/Service delivery</b>	Yes	The proposal would make allow considerable improvements to be made to accommodation to the benefit of officers and members alike.

### 1. RECOMMENDATIONS

Should the Policy and Finance Committee be minded:-

- 1.1 To note the report
- 1.2 To endorse the creation of a Facilities Improvements Earmarked Reserve of £137,754 for the purposes of making town council facilities more resilient in the wake of the pandemic and where considered appropriate to consider introducing measures to meet the town council's environmental ambitions.
- 1.3 To agree to the draw down of a maximum of £3,000 from the Facilities Improvements Earmarked Reserve to enable any covid compliant changes to be made when considered appropriate and necessary to do so.

## **2 BACKGROUND**

- 2.1 The purpose of this report is to provide Members with a position on the way the pandemic has affected Town Council Finances for the financial year 2020-21. It also seeks direction on the creation of a £137,754 earmarked reserve whose purpose is to make town council operations more resilient in the wake of the pandemic and where considered appropriate, to meet the town council's environmental ambitions.
- 2.2 Since the introduction of lockdown measures on 16<sup>th</sup> March 2020, income generating activities have in some way been compromised. Except for cemetery activities, the use of sports pitches, venue hire, events and the market function have all been affected to the point where the agreed budget for the financial year 2020-21 was unlikely to be realised (an income target of £314,925 was set which represents 12.2% of a total expenditure of £2,580,871).
- 2.3 With news of a potential pandemic sweeping across the nation, a decision was taken in January 2020 that revenue spend across all service areas would halt immediately. The fear of the unknown and the propensity that future income generating opportunities would be compromised were the drivers for this action.
- 2.4 Despite the pandemic and the disruption caused, the legal responsibility in completing the financial year end and submission of the annual return remained. At its meeting held 27<sup>th</sup> July 2020, Council resolved thereafter to endorse the creation of an Earmarked Reserve from the 2019-2020 revenue underspend to the sum of £128,010. Its purpose to meet the anticipated shortfall in income caused by the pandemic (named precept support fund). Based on the worst-case scenario, the Town Council had the potential to lose a total of £218,224.92 in income generating activities (except for the cemetery functions that continued). To meet the worst-case scenario, Council resolved that any shortfall be met from general reserves.

## **3.0 UPDATE**

- 3.1 Since the summer of 2020, the easing of certain lockdown measures has meant the ability for a limited number of events and activities to take place (subject to lockdown restrictions being adhered to). In turn, this has been of benefit to the Town Council by allowing a certain number of income-generating activities to resume albeit on a more modest scale. For example, essential market traders who benefitted from fees being waived are now paying for their pitch fees. Room hires for certain small-scale activities has also been able to resume.

### **Expenditure:**

- 3.2 Expenditure has also fallen in certain budget codes because of reduced activity directly attributable to the current situation. Examples include expenditure on sports materials which has seen anticipated expenditure fall by 37% and printing and stationery by 48%. Moreover, certain planned projects were not realised thereby representing expenditure savings also.

Out turn:

- 3.3 Based on the unaudited income and expenditure account (as at 31<sup>st</sup> March 2021), the Town Council has a net surplus (outturn) of £137,754. Despite the pessimistic forecast of July 2020, a positive outturn is quite remarkable. The ability to generate a modest income £49,515 (including £7,359 interest and not including cemetery income of £107,559) is pleasing. Of the earmarked reserve (precept support fund £128,010), a total of £53,579 was used to contribute toward the income deficit leaving a positive balance of £74,431 (920/9065) which was approved at Council on 25 January 2021 to support this year's precept.
- 3.4 Subject to Member endorsement, a Facilities Improvements Earmarked Reserve (budget code yet to be created) seeks ratification in accordance with recommendation 1.2 of this report. Using the positive balance of £137,754, its purpose is to make a meaningful contribution toward improving working and operational conditions at the White House and town council owned assets thereby making operations more resilient in the wake of the pandemic. In addition, the reserve will be used to improve environmental efficiency within buildings also.
- a) The office furniture as well as the Chamber furniture by virtue of its unwieldy and bulky size is not conducive to modern methods of working. Furthermore, room capacity is seriously compromised because of bulky furniture.
  - b) The IT ports within the main office require reconfiguration
  - c) The potential investment in technology to allow hybrid meetings to take place irrespective of a government position on hybrid meetings. The ability to gather and engage with a remote speaker is an attractive prospect within or outside of a formal meeting.
  - d) To allow for any changes deemed either necessary or advantageous in meeting the Town Council's equalities and emerging accessibility policies either at the White House and/or town council owned assets.
  - e) To make building more environmentally efficient.

## **4.0 CONCLUSIONS**

- 4.1 Over the past 15 months, the Town Council has demonstrated a level of resilience when confronted with the unknown that is the pandemic. In this time, it has adapted operationally, provided help and support to those in need and finally, was able to carry on delivering those services allowable. A remarkable achievement given that remote working was never considered a model conducive to the way a parish council should operate.

**End.**