

Date of Meeting: 11 June 2020

## Budget Review

### 1. Purpose of Report

To note the review of this year's accounts as of 31 May 2020.

### 2. Introduction

The report includes as appendices:

Appendix 1 – Last years (2019/20) budget and actual spend, agreed budget for this current year, expenditure incurred to 30 May 2020 (Actual year to date), probable expenditure for the current quarter (Projected actual) and agreed budget 2020/21.

Appendix 2 – May 2020 Bank / Cash Reconciliation.

(Note: Figures within the Appendices are as of 31 May 2020).

### 3. Background

As the Full Council meeting of 23<sup>rd</sup> April members considered the likely impact of the pandemic on the finances of the Town Council and agreed to review the first quarter before committing to financial support and grants to external organisations.

At the special meeting of the Council on 19<sup>th</sup> March it was approved to suspend the charging of rent to Market Traders, and on 23<sup>rd</sup> March the Country was placed into lockdown requiring the Civic Hall and Market Hall to close. Since the 23<sup>rd</sup> March the Town Council has received no income through the Civic Hall or Market Hall which normally makes up circa 50% of the Council's income in a financial year.

The Town Council has now agreed to resume market rents with a phased return which will mean by the first week in July most indoor and outdoor traders will be paying full rent assuming the indoor market can reopen as planned week commencing 15 June. The generation of income at the Civic Hall remains an unknown until further government guidance is issued, with the majority of income generated through events, the licensed bar and room hire.

### 4. Current quarters estimate

#### Expenditure

As advised previously each of the cost centres listed within the attached report provide a summary of total income and expenditure under that cost centre.

Within each cost centre are cost codes which hold individual budget headings within the overall budget of the cost centre.

In considering further the likely impact of the pandemic on council finances a comparison has been taken for the same period in 2019/20 and shown within the attached spreadsheet. Some assumptions have been made for the period 1 June to 30 June 2020 based on regular month expenditure, including direct debits, salaries and utility costs.

The spreadsheet shows that expenditure by 30 June 2020 is likely to be approximately £256,690, compared with £277,713 in the same period last year. However, this reduction in costs is in the main due to not issuing grants to external organisations. By June 2019 £37,860 had been spent on grants and contributions. Based on current figures the town council's monthly expenditure is approximately £85,500. The attached bank reconciliations show the current balances of the Town Council. Based on these balances it is estimated that the town council can cover just over three months of expenses from the general funds assuming no income.

Whilst the recommendations if approved in the earlier report on Capital and Revenue funds will assist the continued operations of the town council it does not give scope to operate under the existing approved budget.

## **Income**

As the Town Council has approved the phased return of market rent charges by the beginning of July most traders will be paying the full rent which will create an income stream of approximately £7,000 per month. In addition, the second half of the precept is expected at the beginning of September to the value of £336,500.

The Town Council has also benefited from the Governments' Job Retention Scheme grant where to date almost £35,000 has been received. There is still the opportunity to claim a further £18,000 under the current scheme up to the 1<sup>st</sup> July. From July it is hoped to begin the phasing of staff returning to work at the Civic Hall, where the Town Council will continue to benefit from the new Job Retention Scheme for employees working part time hours. It is not yet known how much could be claimed under the new scheme.

## **5. Considerations**

Based on the projected income and expenditure it is recommended that the Town Council only consider issuing grants and contributions where the external organisations rely on the funds to cover salaries and/or for the delivery of essential services to the community during the pandemic. Such organisations will include but not limited to the Museum, and the Food Bank. Consideration could be given to issuing reduced grants to some organisations to cover expenses whilst delivering a community service, this could include Nantwich in Bloom.

It is also recommended that consideration is given to a reduced Christmas lights switch on by not having any entertainment/stage or fireworks. This will aid social distancing measures as well as reducing the associated costs.

## **6. Decisions Required**

Members are asked to consider the report and:

6.1 Note and approve the review of income and expenditure and the bank reconciliation as of 31 May 2020;

6.2 Approve the recommendations relating to grants and contributions;

6.3 Approve the recommendations relating to the Christmas lights switch on.