

**BRIDGNORTH TOWN COUNCIL  
TOWN COUNCIL MEETING  
21 APRIL 2020**

RW/2020

15<sup>th</sup> April 2020

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 11 – Potential Financial Impact on the Town Council – Coronavirus

AIM

1. To receive a report on likely financial implications of the current Coronavirus emergency.

BACKGROUND

2. The current Coronavirus emergency and the restrictions imposed by central government and or made by the Town Council in support of those recommendations has meant the loss of a number of significant income streams for Bridgnorth Town Council.
3. The followings looks to provide some general comment on the actual and potential impact of the current emergency on the Town Council's in year budget and short to medium term finances.

DISCUSSION/ COMMENT

4. The more obvious financial impact on the Town Council finances include:

Potential Loss of Income

- a. Closure of Severn Park Car Park: In the first quarter of last year the Council received c£15k of income.
- b. Closure of Castle Hall: In the first quarter of last year the Council received c£5.5k of income.
- c. Market pitch rental: In the first quarter of last year the Council received £7k of income.
- d. Public Toilets: In the first quarter of last year the Council received £1k of income.
- e. Theatre on the Steps Town Hall booking office: In the first quarter of last year the Council received £700 of income.
- f. Hire of College House. In the first quarter of last year the Council received c£300 of income.
- g. Rental of Crown Meadow to AFC Bridgnorth, the Bylet Island and 1 High Street have all had their first quarter payments deferred – there is some risk that these ventures might struggle to pay; total payments due in the first quarter are c£3.2k. (In addition the Low Town Community Hall might struggle to pay some of its annual management fee).
- h. Delay in Cemetery Lodge being rentable: In the first quarter of last year the Council received £1k of income.

- i. Cancellation of Weddings: In the first quarter of last year the Council received c£700 of income.

Total potential loss over 3 months: c£35k.

Potential Reduced Expenditure:

5. Heat and Light: Likely to be reductions in use at Town Hall, Castle Hall and College House – too early to estimate with any confidence
6. Fuel for DLF vehicles: Fuel prices have dropped by some 10 to 15% - likely to be some short term saving, perhaps a £300 saving over 3 months..
7. Overtime for Grounds and Caretaking staff: Unlikely to incur any such expenditure during 'lockdown' – potential saving of c £1.4k (plus the associated employers pension and NI contributions).
8. Fortunately, some prudent spending and good fortune in 2019/20 looks to have produced an in-year saving last year of some £20k, with the general reserve at the end of FY 19/20 being in excess of £200k.
9. Cash flow is unlikely to be an issue early in the financial year due to a combination of an adequate reserve and due to the fact that we anticipate the precept due being paid in full towards the end of April 2020.
10. We will look to take advantage of any government financial support as it becomes available.
11. There might be increased demand on the Council to fund unbudgeted items if the lockdown persists – e.g. grant funding to community groups.
12. Even if the lockdown is lifted relatively quickly then there is no guarantee that users of halls, market pitches etc. will have survived an economic crisis e.g. regular users of Castle Hall might struggle to pay hire fees if their clients can't afford to attend and pay them.

SUMMARY

13. There are some obvious irretrievable losses of income: Hall Hire, Car Parking Fees and Market Fees that amounts to circa £30k. There are some savings as a result of reduced service provision to offset these, but they are minimal, circa £2k.
14. The Council's finances appear to be adequate to cope with a few months of hardship before any tough decisions might need to be made.
15. There is much that can happen that can have an impact both positively and negatively on the Council's finances.

16. Officers have already made some light-touch assumptions and will keep a watching brief on all income and expenditure to compare assumptions with outcomes.

**RECOMMENDATION(s)**

There are no recommendations.

Ros Williams  
Deputy Town Clerk/ RFO