

# **TC/3914/20**

## **Oswestry Town Council**

### **Report from the Finance Officer to the Council – Wednesday 26<sup>th</sup> August 2020**

#### **2020/21 Budget Revision**

##### **Purpose**

The purpose of this report is to place before Council a revised projected budget for 2020/21 taking into account the effects of the Coronavirus on our income and expenditure.

##### **Background**

Following Lockdown in early 2020 the Council's financial position has been considerably undermined by loss of income, thankfully somewhat compensated by cost savings and other factors on our expenditure. The purpose of this report is to place before Council, at an early stage in the financial year, a projected outcome on our balances as at 31st March next year.

##### **Budget- Effects of Coronavirus**

A totally revised projected budget has been drafted for consideration of the Council.

The Finance Officer, in consultation with the Town Clerk and Operations Manager, has undertaken a line by line, page by page redraft of the 2020/21 budget taking into account potential loss of income in car parking, property rental etc and potential cost savings in staff costs, cancelled events, cost savings, etc.

Car parking income is the biggest anticipated loss (£212,000). Also rental on property of £25,000, public convenience usage, market income, NABMA £5,000, bank interest, etc. However, to some extent this has been compensated for by cost savings, particularly in staffing costs where a potential £30,000 could be saved by not appointing a Project Manager for the

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time being, plus there will also be cost savings on Visitor Centre operation, youth services, overtime, events cancellation, hanging basket/floral planters, Cae Glas Park maintenance contract, TIC costs, etc

When we did our Budget in January our projected balance as at 31<sup>st</sup> March 2020 was £2,140,213. The actual turned out to be £2,233,402 or £93,189 higher than thought. This surplus has helped us moving in to 2020/21 and the effects of the pandemic on our financial position.

Our initial budget for 2020/21 showed a net expenditure over income of £681,353 or with £525,000 coming from the Smithfield windfall, a net expenditure of £156,353. The revised budget shows a net expenditure (taking into account the £525,000 drawdown) of £269,804 which, if this materialises, will reduce our balances to £1,963,598 as at 31<sup>st</sup> March 2021. Our estimated balances were £1,983,860 so in essence due to our higher balance last year than expected our balances will reduce only by £20,262 more than expected over the year. Obviously there is still a good deal of uncertainty of what will happen as we move through the year and further lockdowns could further seriously decimate our income therefore it would be prudent to continue to budget very conservatively and look for cost savings wherever possible.

It might also be worth reminding Members that the Council has an established earmarked reserve of £70,000 for unforeseen losses as we will inevitably see this year.

### **Summary**

The Council is asked to note the revised budget and suggest any further potential cost savings.

**Roger Dyke**  
**Finance Officer**