

POLICY, GOVERNANCE & FINANCE COMMITTEE

Date: Monday 13th July 2020

Title: Finance Report

Contact Officer: Town Clerk/RFO – Sharon Groth

Background

The Council's finances are monitored by the Responsible Financial Officer (Town Clerk). The purpose of this report is so Members can oversee the financial management of the Council for scrutiny and transparency.

The COVID-19 outbreak has had a significant effect on the Council's finances, mainly through loss of income, though there have been some increased costs such as personal protective equipment (PPE), cleaning and posters to make places that the Council is responsible for safer.

This report therefore also aims to explain how the COVID-19 pandemic has affected the Council's finances to date – although the Town Clerk/RFO has not had the opportunity to undertake a full financial appraisal as yet because figures are still dependant on some decision which will hopefully be made by this Committee at the meeting.

Members should therefore note that the figures in this report are a snapshot in time and will change on a weekly basis as the situation changes. The Town Clerk hopes to be in a position to review the annual budgets in detail during the August recess and report back to the next meeting.

Current Situation

Whilst the Town Clerk has provided detailed income and expenditure accounts for the period 1 April 2020 to 31 May 2020, these do not include the salary allocations or the recharges from the Works Department or Central support. The contract Book Keeper is in shortly and will endeavour to bring the accounts up to date when she closes down the accounts for June.

Key financial headlines:

Hall Hire Income

The Office Manager reported to the Halls, Cemeteries & Allotments Committee that the loss of income from cancelled bookings (only) at both Burwell Hall and the Corn Exchange between 15th March and 30th June totalled £27,578.42. This did not include probable ad-hoc booking income such as party's which could equate up to approximately a further £2,000.

The only income received during this time was from the Blood Donors who used the hall on two occasions, providing an essential NHS service.

Community Use – Grant in Kind

As Members are aware both halls were used for the essential provision of ‘food bank’ type operations assisting the most vulnerable in the community by providing food packages. Whilst the Council has no intention of charging out hall hire to the organisations concerned, for the period 8 April to 20 May the use of the Burwell Hall amounted to £322, and from w/c 25 May up to 6 July in the Corn Exchange this amounted to £6,411 – based on the local organisation rate. An overall grant in kind of £6,733 so far. Whilst this wasn’t expected, the Town Clerk considers that it should be reflected in the Council’s accounts in some form because it has provided a vital service to the community. If appropriate (if it is not possible to claim this as income from the Government) and Council is in agreement she will show it as a grant to the Witney Fridge/Witney Land Army and she will then be able to account for some income in the Halls accounts. Whilst this won’t defray any black holes in the accounts it does demonstrate community support.

Insurance & Business Continuity Cover

The Town Clerk early on contacted the Council’s Insurers to see what cover was in place for Business Continuity – the response received is attached at appendix 2 – but it would appear that whilst the council has extensive insurance COVID-19 is something new and not covered!

Government Funding

Currently there is no financial assistance forthcoming from Central Government despite funds being devolved to District Councils. Locally the Town Clerk has been advised that this is for parish and town Councils who face financial hardship. The National Association of Local Councils (NALC) continue to lobby the Government and the Town Clerk has provided some information to support the claim. She was advised that there was a meeting of the All Party Parliamentary Group for Local Democracy on 7 July to consider this and she requested Robert Courts MP attend in order to support the sectors claim.

Other income streams affected, and estimated losses include:

Cricket for the period May/June (based on last years fixtures) - £1160

Football for April - £525

Additionally, there is likely to be some loss of income from the fees payable by the Bowls Clubs, Projectile Range, Tennis Club and the Sports & Social club, as well as tenants in the Council’s investment properties – these are covered under the later Confidential item on Property Matters.

Expenditure

With regard to additional expenditure there has been increased costs in stationery for producing a significant amount of signed to secure play areas and other facilities when the country went into lockdown, and continually ensuring the signage remained in place for the duration. Now as we begin to reopen play areas etc new signage is being erected to cover Government Guidance. This hasn't yet been quantified.

So far £400 has been spent on PPE and cleaning materials – however as the halls begin to open cleaning regimes increased this is expected to increase significantly over time. Returning employees back to and safeguarding those who have been working in the offices to a COVID-19 safe work place by providing Perspex screens/ barriers has so far cost £1,050.

To cope with the additional demand of graves whilst was minimal, another dumper had to be hired for the Windrush Cemetery at a total cost of £840.

Due to the Pandemic it was necessary to have an environmental risk assessment/survey of the Windrush Cemetery to ensure the Council could continue to bury there and meet any increased demand. This cost £4,200.

West Oxfordshire Community Grant

Members will be aware that when setting the budget for 2020/21 the Council agreed to give security to WOCT and set a grant for the next 3 years. At this time the grant was also increased from £18,000 to £21,000. Due to COVID-19 WOCT had to obviously suspend its service – consequently the Town Clerk continued the monthly payment of the annual grant at the existing rate of £1,500 per month so that they still received a regular income, but to afford the Council the opportunity to review this expenditure and how it is paid over.

Green Energy Contracts

The Council's electric and gas contracts come to an end in September and October. Whilst it is desirable to look around for competitive suppliers of green energy, the Compliance and Environment Officer at the current time has not got the capacity whilst dealing with the COVID-19 safety measures to meet the tight timescales of contract renewal. It is therefore suggested that for the current year the contracts are extended for one year only in order to make sure it doesn't revert to an expensive tariff.

Environmental impact

Having declared a Climate emergency last year it is regrettable that Officers do not currently have the capacity due to COVID-19 to research and secure contracts with green utilities to meet the tight deadline of contract renewal.

Risk

In decision making, Councillors should consider any risks to the Council and any action it can take to limit or negate its liability.

Also Councillors have a responsibility for the sound financial management of the Council and ensuring that the public purse is protected and funds are dispersed in accordance with its Financial Regulations.

Obviously COVID-19 pandemic has impacted on the Council financially. Fortunately, through prudent financial management in the past the Council's budget can be supported by its General Reserve however Councillors need to be mindful that the continuation of planned expenditure may need to be addressed in order to realign its budgets at a later date.

Financial implications

These are detailed in the above and in the attached income and expenditure reports. Members are also referred to the later confidential report on Property Matters which also contain additional decisions which will affect the Council's financial standing.

Recommendations

Members are invited to note the report and consider:

1. the level of WOCT grant funding for 20/21 in light of the COVID pandemic and how this is paid over in future;
2. the utilities contracts expiring shortly and the renewal for a further year with existing providers.