COVID 19 – FINANCIAL IMPACT ASSESSMENT on KEYNSHAM TOWN COUNCIL BUDGET.

1.0 Background

COVID19 and the Government and country's response to managing the pandemic through initial lockdown, subsequent easing, the possibility of a second spike and the fact that the virus may persist as a threat to the community for a considerable length of time before a vaccine is available (possibly 18 months) means that there could be a significant impact on the way the Council conducts its business and delivers its services for the foreseeable future.

1.1. The Council has in place a Risk Assessment that is regularly updated in line with government advice and transmission figures together with a Business Continuity Plan, again updated to reflect changes in Government advice as lockdown eases. The Annual Financial RIsk Assessment is due to be conducted by the Committee next month and this will be updated to reflect further issues arising owing to COVID. The purpose of this report is to look at the immediate tangible financial impact which cannot be mitigated/insured against.

1.2. Unlike other Councils, Keynsham does not run a leisure centre, community facilities or other services that generate substantial amounts of income to support the Council's overheads, other services and activities. The Council's main source of income is the Cemetery. Most of its current activities can continue to be serviced following ease of lockdown and little adaptation to incorporate social distancing measures would be required with the exception of the Manor Rd pavilion. The biggest impact on the Council's finance would be if the Clerk and/or Deputy Town Clerk were off sick and a locum was required.

1.3. Unless the Council plans to introduce additional activities/services that were not included in the 4 year action plan then the current budgeting for activities is not affected by very much.

RECOMMENDATION

An INITIAL assessment of the possible financial impact on the Council's budget/finance for the coming year is now presented for discussion.

PRACTICE/ISSUE	RISKS	MITIGATION	FINANCIAL IMPACT TO DATE	FUTURE RISK	POSSIBLE FUTURE FINANCIAL IMPACT	RECOMMENDATION
Remote Meetings	Unlawful because Public can't connect or Councillors can't connect Security of software	Zoom software enabled for all council and Committee Meetings Zoom software has improved security features.	£120 per year annual subscription	Remote meetings continue as part of a mix of remote and physical meetings post-covid	£120 Annual software subscription	Included for in IT revenue budget
Staff Working from Home	Unable to work as no devices to enable connection to server or means of communication	Laptops, VPN Remote desktops provision Office mobiles Council pays for upgraded broadband to	New (additional) devices £3000 (3 laptops, one desktop, 10 mobile phones) Replacement devices £3000 (one laptop, one hard drive, one desk top) £10 pcm	Ongoing cost to Replace failed devices (server warranty extended last month) Council looking at upgrading broadband to office	£1200 per annum to replace devices (3 desk tops over 3 years old) Possible cost saving up to £98 per month	Part of IT replacement budgeting already implemented but may need to increase/revise annual amount To be considered at next Finance Cttee meeting

		domestic addresses SoVision support all systems/devices with remote dial in capability Office mobile now used as temporary number Landline Voicemail messages picked up every 2-3 days by TC or DTC	£10,000 p.a.	SoVision 3 year contract up for renewal Working from Home allowance policy to be decided Up to £6.00 per week tax free – but personal savings on travel costs off set this Possible new call charges/landline package with free call forwarding	If landline and tel call charges included No change to budget £4000 p.a. See above re savings if combined with broadband	Council could agree to extend contract for a further year Refer to Personnel
Keeping staff and Councillors safe	Cost of PPE	Sufficient supplies purchase/in stock for next few months	£2000	Continued purchase required especially for staff visiting office or dropping	Main costs is adequate hand gel, masks and gloves	Cost Code 4050 set up before end of Financial Year for COVID PPE. Make provision for £10,000 for rest of year

	Lack of availability of PPE for gravedigging	with exception of FFP masks Still awaiting backorder from supplier to be fulfilled	£1000	off items to other staff/Councillors. As lockdown eases, Councillors may be out and about on Council business so will need to be kitted out with supplies. Costs have increased by up to 5x	Cemetery supplies sufficient with exception of FFP3	
Staff sickness	Possible locum/contractor costs if keyworkers are off sick with COVID – Groundsmen, DTC and TC NB Stress owing to increased hours also a possibility -	Keyman insurance being addressed as part of insurance renewal but would only cover Clerk May need to get in additional help for Clerk and DTC	None as yet	Clerk Locum costs £45 per hour	£100k on locum costs for 1 year (To account for sick leave and any termination period) Allow £10k for contractors costs if 3 GM off sick at any one time	Allowance in respect of how reserves distributed/invested to ensure instant access for £110k
Loss of Income	Cemetery Fees £35k budget	Number of burials has actually reduced over the first two months –cf last year- possibly because they		Cemetery income can be very variable although most tends to be received from October onwards.	Poss loss est £25,000	No action as yet – monitor

	Manor Rd £3500 budget	are going to Haycombe. A lot will depend upon whether there is a second spike. Will depend upon when/if lockdown eases		Possible cost to adapt Pavilion changing rooms for social distancing to be balanced against poss loss in income Significantly more staff and cleaning overheads Also additional PPE	Unknown at present.	Alternations Could be done as part of flat roof replacement – money in EMR set aside May need to make financial provision for increased overheads
Investments and Interest	Annual Interest currently £3500	Interest rates reduced on deposit accounts and yield on public sector deposit fund also reducing	£3200 loss in interest p.a.	Need to spread risk and look at alternative deposit accounts	Loss of £3200 if don't do anything with reserves	Review in progress but will not be able to make up to £3500 unless put £200k in 5year fixed term at 1.7%
Community Support Grants	Music Festival £18,000	No going ahead this year				Could look to save an element of this grant or potentially roll over to next yea and they get double.

	KADDAR/KIB/Farmers Market/KNOW New Covid Resilience Fund	Still functioning so grants payable £10k implemented March 2020 but not budgeted for	£1271 spent at year end	Community organisations need more to support ongoing running costs, PPE, and other new service provision as part of the new normal	Figure to be decided as well as eligibility criteria and what costs would be covered	Make provision as part of budget revision exercise
Office costs	Staff continue to work from home but office costs still ongoing	Rates bill set to £0 for this year saving of £8500 Rent continues to be paid at £6k per quarter TC and DTC currently work in office from time to time Furniture still in storage owing to amount of time required to decontaminate on a daily basis	Overhead remain same – except reduced electricity consumption £56 per week ongoing	Staff could return on a rota basis once safe to do so . Furniture would need to be kept in storage	£3k p.a. for furniture storage	

Winter Festival	£9k budgeted expenditure. Anything over this is offset by income from stallholders,	Council will be holding a virtual festival	No change to the £9k budget but expenditure must be kept in line with this budget as there may be no income to offset.			EATH Committee meeting in August to discuss plans – better idea of financial provision will be known then
Precept second payment not forthcoming	B&NES may not be able to pay second instalment of precept in a timely fashion owing to cashflow	Unlikely but the purpose of keeping a level of General Reserves is to cover against this issue				Impact will be on level/amount of reserves to invest in account that is not instant access.
Supply chain	Council's suppliers cease trading	Council has identified alternatives for most of its suppliers.				
General Power Of Competence	Requests received to Contribution to maintain services in Keynsham not normally within Town Council's remit but could do so under GPOC	Care required to consider impact on staff working hours and overhead costs				