

## **Ware Town Council**

### **Budget review 2020/21**

With the ongoing impact of Coronavirus, the budget for the financial year 2020/21 has been reviewed. The primary purpose of the review is to determine the financial impact and any changes we need to make to the business plan for 20/21.

Several assumptions have been made based on the information available and our best judgement at the time. We have opted to be cautious with income streams and hope the situation will be better than our projections, *planning for the worst, hoping for the best.*

The full year projections can be updated as things change or more information becomes available.

#### **Broad assumptions**

The current restrictions will remain in place until the end of June.

When restrictions are lifted there will be a lead time to business as usual, the uncertainty with the economy will influence the lead times.

#### **Reserves:**

The intention is to retain the contribution to reserves as indicated in this year's budget £70K.

#### **Repairs and Maintenance:**

The budgets have been left largely intact. This considers the restrictions in the 19/20 financial year; we cannot get any further behind or we will be storing problems up for future years.

#### **Mayoral Events and Training -£2K**

Both are likely to be curtailed with a reduction in planned expenditure.

#### **PC costs +£1K**

The requirement for remote working has further shown the need to all be operating from the same platform and in a consistent way.

#### **Cemetery**

It is likely that there will be increased use of the cemetery, no budget variance has been included due to the uncertainty in this area. It is perhaps insensitive to be increasing the income projection currently.

## **Events**

### **Food Festival:**

Postponed in May, reviewing the option of linking with Wares the Music (also postponed from May) to a revised date in September. Budget retained.

### **VE Day**

Budget retained although no events will take place in May. Online options being reviewed with perhaps an event to link with VJ day in August. If no events option to donate the £1K budget to organisation(s) supporting the community through the Coronavirus.

### **Ware Festival (early July)**

We are currently working on the festival taking place and have retained the budget.

If all the events were cancelled rather than postponed this would generate a saving of c£14K, this is not a preferred option as the events are highly regarded in the community.

## **Grants**

The grants budget has been retained in Full, including the discretionary pot of £5K. Many of our local organisations may require additional support.

## **Security and Cleaning**

Reduced based on decreased bookings / usage.

## **Utilities**

Reductions in electric and minor reduction in water usage, no reduction in gas as most of the gas is used during the winter months when we anticipate return to normal business activities. No allowance has been made for increased efficiency of a new boiler at this stage.

## **Lido**

Currently planning for the season to start in July, with no extension at the end of the season. Reduced income and staff costs by 37%. Overall cost / subsidy no material change.

## **Tenant Income**

Two tenants are in the food industry and are less likely to be impacted, therefore rental income should remain consistent.

Launchpad, not included in budget, therefore no material change.

Greyfriars Room, not included in budget however there may be a delay in signing the lease, will work with the agent to ensure we retain the tenant.

Bridget's Café / Lea and Stort Boat mooring / Lido Kiosk Provision has been made for a rent holiday if required to retain these small business / charity operations. Potential cost £4K

### **Ware Priory Trading**

Disruption to the main wedding season, encouraging postponing rather than cancelling, some income may be deferred until 21/22. Overall wedding income anticipated to be adverse to budget by c40%

Overall lettings income adverse to budget by c32%

Profit reduced from £51K to £15K, adverse to budget by 70%

### **Projects and Extraordinary items**

VAT payment: Retained at £60K, payment in full (phased payment to be requested if required)

HMRC NI payment £17.6K, payment in full (phased payment to be requested if required)

The Priory boiler which was unbudgeted will cost c£36.5K

### **Impact on the budget 20/21**

The grant to Priory Charity will need to be increased by £18.4K

To balance the overall budget will require a saving of £71.3K / £17.2K exc boiler and NI payments

The table below details the proposed changes to the project plan to enable the budget to remain balanced for the financial year 20/21. This is subject to further discussion and agreement by Councillors.

#### **Extended Impact for six months**

Assumptions

No Festival Season

No Lido Opening

Further reduced income Ware Priory Trading

The corrective actions / adjustments based on a three-month impact will be the same for a six-month impact. Both the Festival and Lido are cost centres, if no activity takes place this will reduce the council's expenditure, Ware Priory Trading will see a further reduction in profitability. The net result would be c£8K positive to the three-month projections.

	Sponsor	Budget	Budget	Revised	Saving / increase	Comments
Green issues leadership	Martin Butcher Dan	Revenue	5,000	4,186	-814	Scaled back due to reduced implementation time
Longer swim season Lido	Wateridge	Revenue	28,000	0	-28,000	Extended season postponed until 2021
Skate Park	Sean Higgins	Capital	120,000	120,000	0	Will only go ahead if grant funding received
Toilets upgrade Priory / FL	Kerry Marvis	Capital	20,000	20,000	0	
Outdoor activity days	Sean Shaw	Revenue	10,000		-10,000	Postponed until 2021
Ware Film Festival	Victoria Shaw	Revenue	5,000		-5,000	Postponed until 2021
Trees and Planters in suburbs	Jonathan Kaye	Cap/Rev	20,000	13,000	-7,000	Reduced scheme / complete in 2021
Empty shops more attractive	Rishi Fernando	Cap/Rev	15,000	15,000	0	Important to retain following lockdown
Reducing loneliness	Mark Pope	Revenue	5,000	5,000	0	Important to retain following lockdown
Priory Bridge	Matt Watkins	Capital	30,000	15,000	-15,000	Quote lower than budget
Outdoor showers			5000	1500	-3,500	Quote lower than budget
Queuing system			2000	2000	0	
Shade for queue			1000	1000	0	
External TV			2000		-2,000	Delay until 2021
Inflatable			4275	4275	0	
Priory Boiler				36,500	36,500	Not budgeted
<b>Total</b>			<b>272,275</b>	<b>237,461</b>	<b>-34,814</b>	