

Saltash Town Council Covid -19 Virus Impact on income – updated 31st August 2020

Saltash Town Council is fortunate in that it does not rely heavily on income generated from its other revenue income sources, which makes up 6% of the total precepted income for 20/21. This includes precepted earmarked fund reserves for projects which could be put on hold if needs be and 7% of solely operational expenditure.

The council services have been interrupted for five months now and not all services are back up and running. The Guildhall is not operational and it is likely the Guildhall will be used for staffing accommodation so that the council can ensure the staff can operate and work safely and follow the government guidelines.

The current loss up until the 31st August 2020 is £21,885 which is 26% of the council's other revenue income sources. This includes income loss from hire of Guildhall, Station Building & Maurice Huggins Room, library income and daily pontoon moorings. Some of this loss we will be able to recoup from the drop in expenditure of everyday maintenance and running costs.

Over the last few years Saltash Town Council has built up contingency reserves to cover for such unforeseeable events and this year's 20/21 is a total 5 months of operational expenditure. This is mainly because that it is unable to generate revenue easily and quickly and relies on 89% of the precept to function all its council services.

If the council was unable to operate its full services and continued to operate as it is at the moment on reduced services for the full year, the total loss of income will be around £50,147 which is 60% of other income revenue budgeted for 20/21.

There will be marginal savings on the operational expenditure throughout the budgets because the council is not operating at full capacity and devolution of other assets from Cornwall Council has been put on hold. The biggest saving will be in the Service Delivery staffing budget where this is likely to be £40,000 due to the additional open spaces and services not being devolved.

The council has looked into the funding options available but it doesn't qualify due to the healthy contingency of reserves that is in place and the loss of income is not significant enough.

To summarise, in my opinion the council is in a very strong financial position to be able to continue to operate as normal financially. I do not foresee that the council will need to reduce any of its services or to put any projects on hold due to loss of income from other revenue sources as a result of the Covid-19 virus as it currently stands.

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Finance Officer

Saltash Town Council