



EXECUTIVE

BURNLEY TOWN HALL

Tuesday 7th July 2020 at 6.30 pm

10. Coronavirus Potential Budget Implications

Purpose

To provide an additional interim update focussing on the potential financial impact on the 2020/21 revenue budget following the Coronavirus pandemic.

Reason for Decision

Asad Mushtaq noted that following publication of the agenda and reports, the Government had announced of an additional tranche 3 of funding that would be received by the Council which would cover some aspects of income and expenditure. Details of the allocation of the funding had not yet been received.

Due to the impact of the Coronavirus pandemic, the Council was looking at a projected budget deficit of £3.4m over the current financial year due to the increased expenditure and loss of income. This equated to 22% of the Council's current net budget and that currently any shortfall in funding would have to be met from reserves, however further significant government intervention would be required due to the current level of reserves not being sufficient to fund the estimated deficit.

Consideration had only been given to the short-term impact of the pandemic and Members were advised of the high probability that the impact would be longer-term, spanning future financial years, with increased costs and income losses. Members were also advised that this may have an impact on future service delivery and that an analysis of the medium-term financial strategy (MTFS) would be carried out later in the year with an updated MTFS position being forecast.

Councillor Lishman referred to the current uncertainties, expressing thanks and praising officers for work that had been undertaken previously and work currently taking place. Councillor Lishman introduced details of a 10-point Covid 19 recovery plan that the Executive envisaged for Burnley outlining the Executive's vision and providing parameters. The Executive tasked Officers to prepare a recovery plan that would incorporate the 10-point plan that was introduced by the Executive. Further details of the plan would be brought forward to future meetings of the Executive and Full Council.

DECISION

That the Executive adopt the following resolution:

That Full Council be recommended to note:

1. That the current forecast financial impact of Covid-19 as outlined in the report be noted, the financial impact be modelled and updated regularly to inform action plans to deal with the loss of income and increased expenditure; and
2. That Officers continue to work on several options to mitigate the potential financial impact and bring forward options for decision as appropriate. A review of some service provision may be necessary if additional Central Government funding is not forthcoming.
3. That the Council, along with other District Councils and industry groups, continue to lobby Central Government for additional funding; and
4. That it be recognised that additional funding has been received from Central Government following publication of the agenda/reports.