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**Bath & North East  
Somerset Council**

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**Improving People's Lives**

Corporate Scrutiny 27th July 2020

# Covid-19 Impact on the 2020/21 Budget

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- Income and Expenditure Budget Impact
- Heritage Services Income
- Parking Services Income
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# Council Gross Expenditure Revenue Budget, 2020/21 £352m

Corporate Budgets inc.  
Housing Benefit & Tariff payments

£83m

£144m

Adults, Childrens and  
Public Health

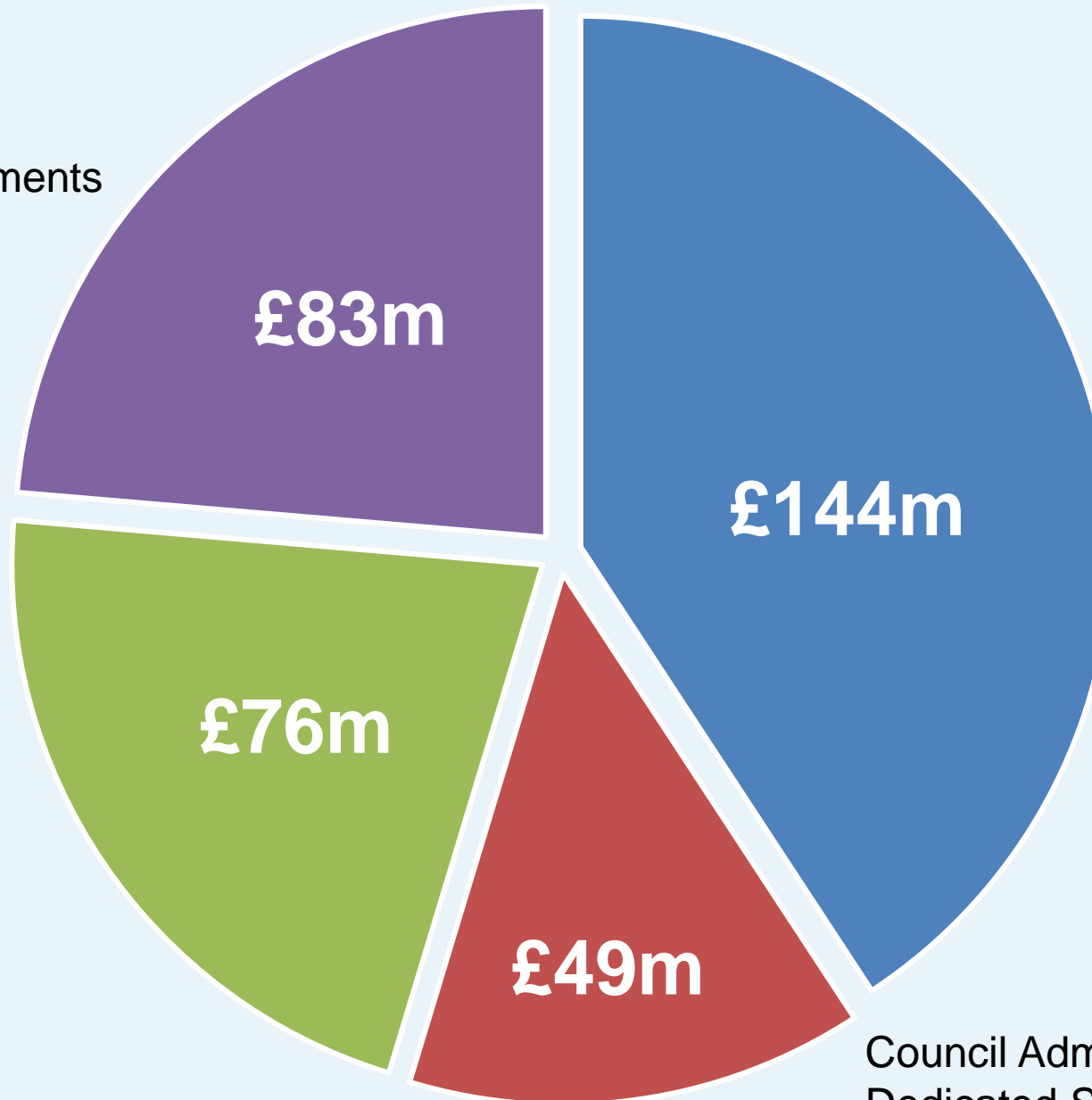
Services to the public inc.

- Highways
- Refuse Collection
- Cleansing & Parks
- Housing Services

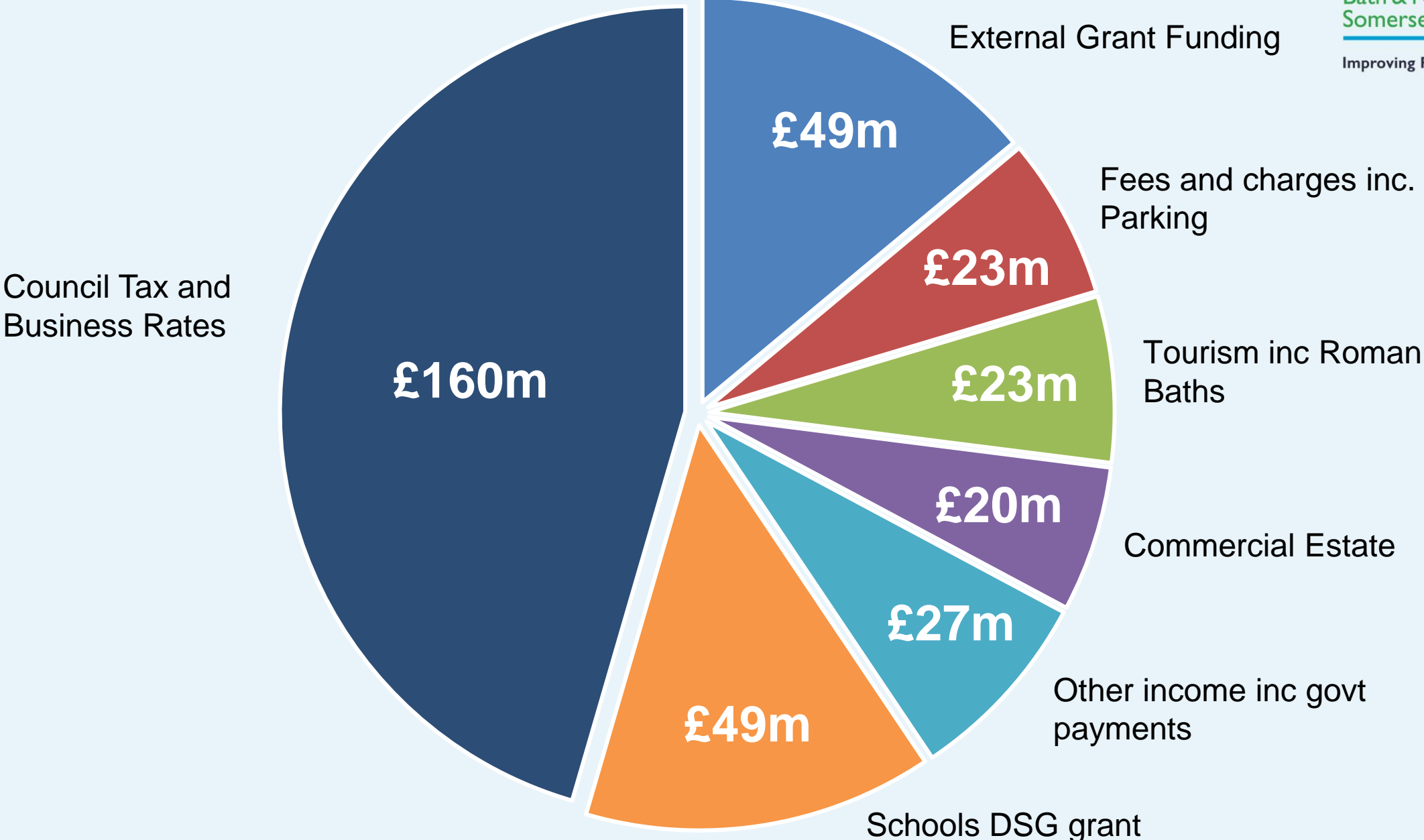
£76m

£49m

Council Administered  
Dedicated Schools Grant



# Council Gross Expenditure Revenue Budget, 2020/21 £352m



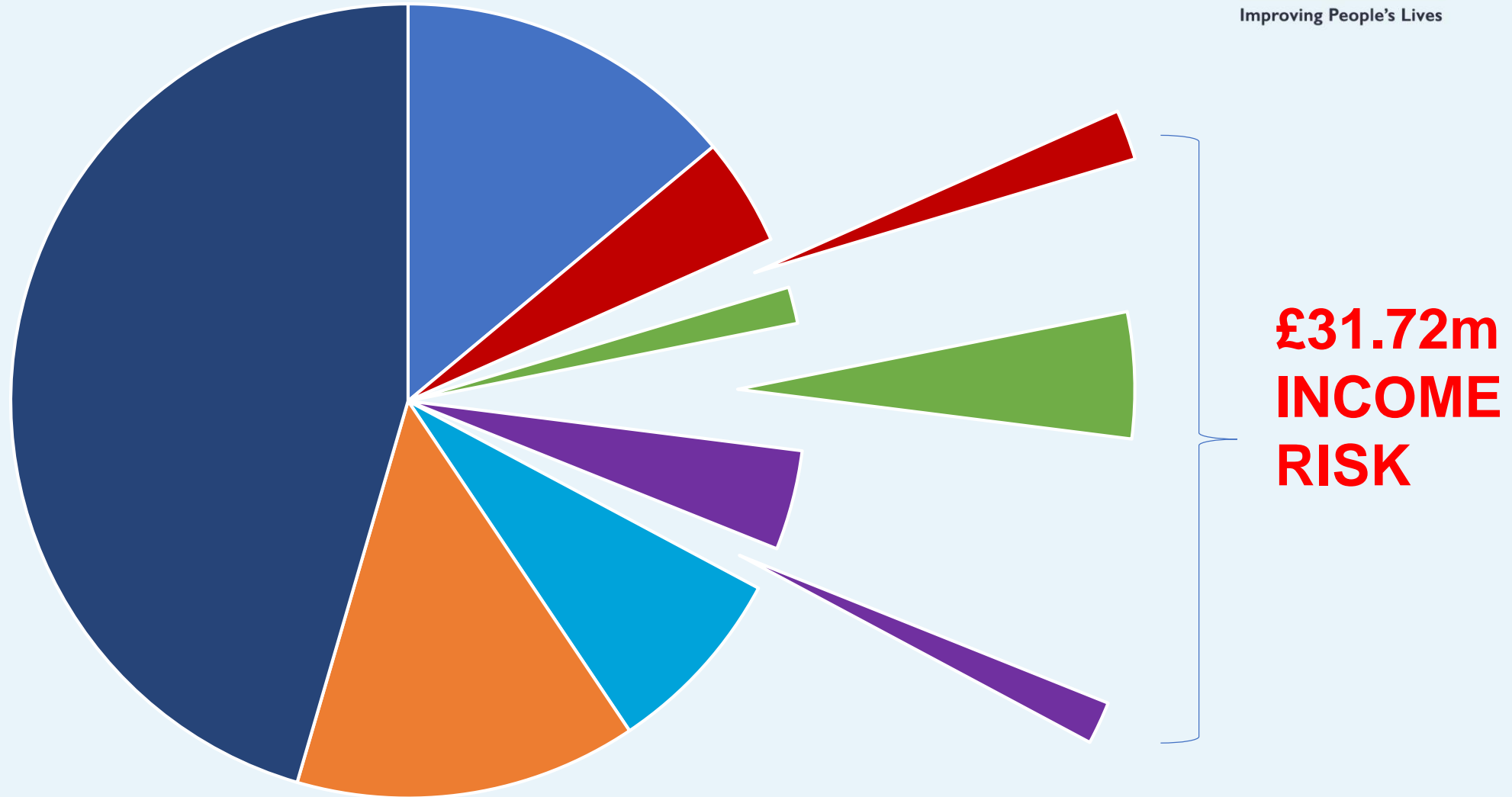
# Less income = less money for services

- We're **£5.6m** down in lost parking and heritage income compared to April/May last year
- That's **£91,000** a day - 14% of our daily spend on services



Summary of our financial pressures 2020/21	£m
Loss of heritage income	<b>18.09</b>
Loss of parking income	<b>7.20</b>
Loss of income from commercial estate	<b>6.13</b>
Other losses of income	<b>0.71</b>
<b>(SUBTOTAL) OF LOSS OF INCOME</b>	<b>32.13</b>
Increased Expenditure - in supporting our most vulnerable in social care and responding to Covid-19 demands such as sourcing PPE	<b>10.00</b>
<b>Projected deficit</b>	<b>42.13</b>

# Covid-19 2020/21 Income Risk



How we're tackling these in-year pressures	£m
Projected deficit	<b>42.13</b>
In-year savings including reviewing and reducing costs where demand has fallen, deferring projects, holding vacancies and using corporate mitigations	<b>20.70</b>
Government grant	<b>10.00</b>
Drawing down reserves	<b>11.43</b>
Projected deficit following these measures	<b>0.00</b>



# HERITAGE SERVICES

## COVID-19 IMPACT

### *Closure of Heritage Sites*

#### TIMELINE:

A decline in Chinese booked groups around the Lunar New Year Holiday.

A mass cancellation in European school groups during February.

Decision to close recommended by officers on the 17<sup>th</sup> March.

Closure approved and actioned from the end of the 18<sup>th</sup> March.

At the point of closure COVID-19 had cost B&NES approx. £450k in revenue.

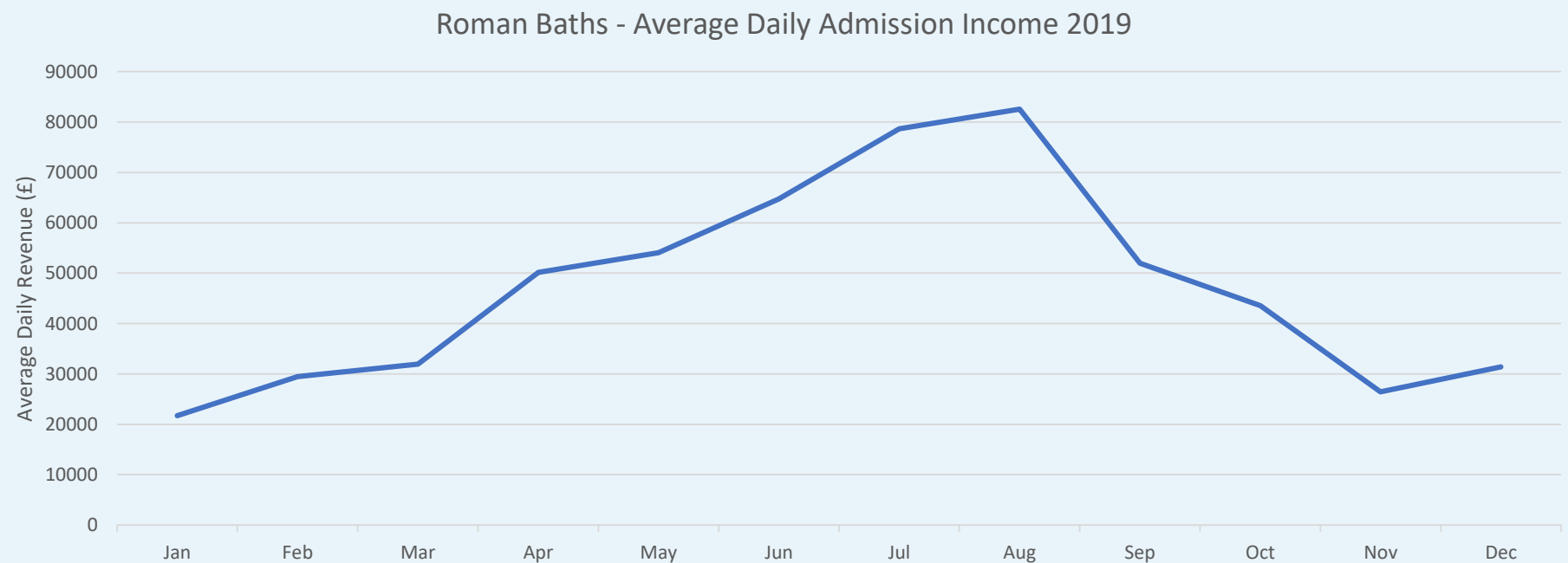
## IMPACT OF CLOSURE:

Quarter 1 expected performance: 430,000 visitors and £6.7m revenue

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The impact of the Roman Baths' closure has come during a period when it would have been expecting to generate £50,000-£80,000 per day in admission revenue.



## ONGOING IMPACT:

The reopening capacity restrictions mean that the actual income generated through July and August will be significantly lower than the circa £80,000 per day generated in 2019.

# HERITAGE SERVICES

## COVID-19 IMPACT

### *Reopening Scenario Summary*

Roman Baths open from 6<sup>th</sup> July, and Assembly Rooms open for corporate hire business.

Fashion Museum and Victoria Art Gallery closed until Easter 2021.

Capacity restricted to no-higher than 30% whilst physical distancing is required.

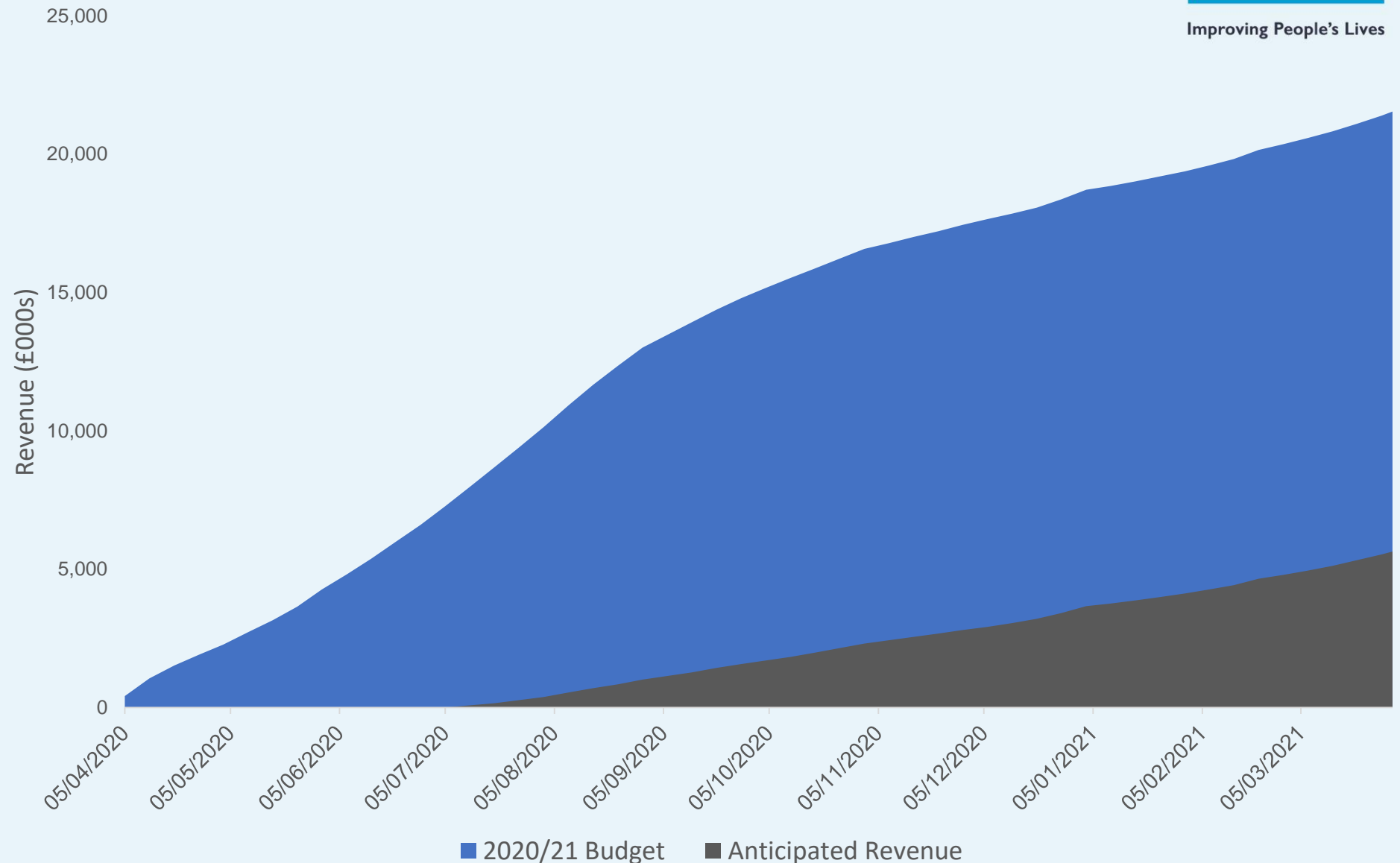
A gradual increase of capacity to test operational procedures.

Projected demand 10% of "normal" on reopening and growth to 65% of "normal" by end 2020/21.

### Heritage Services Anticipated COVID-19 2020/21 Revenue Impact

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# HERITAGE SERVICES

## COVID-19 IMPACT

### Service Financial Mitigations

Net expenditure budget £13.2m

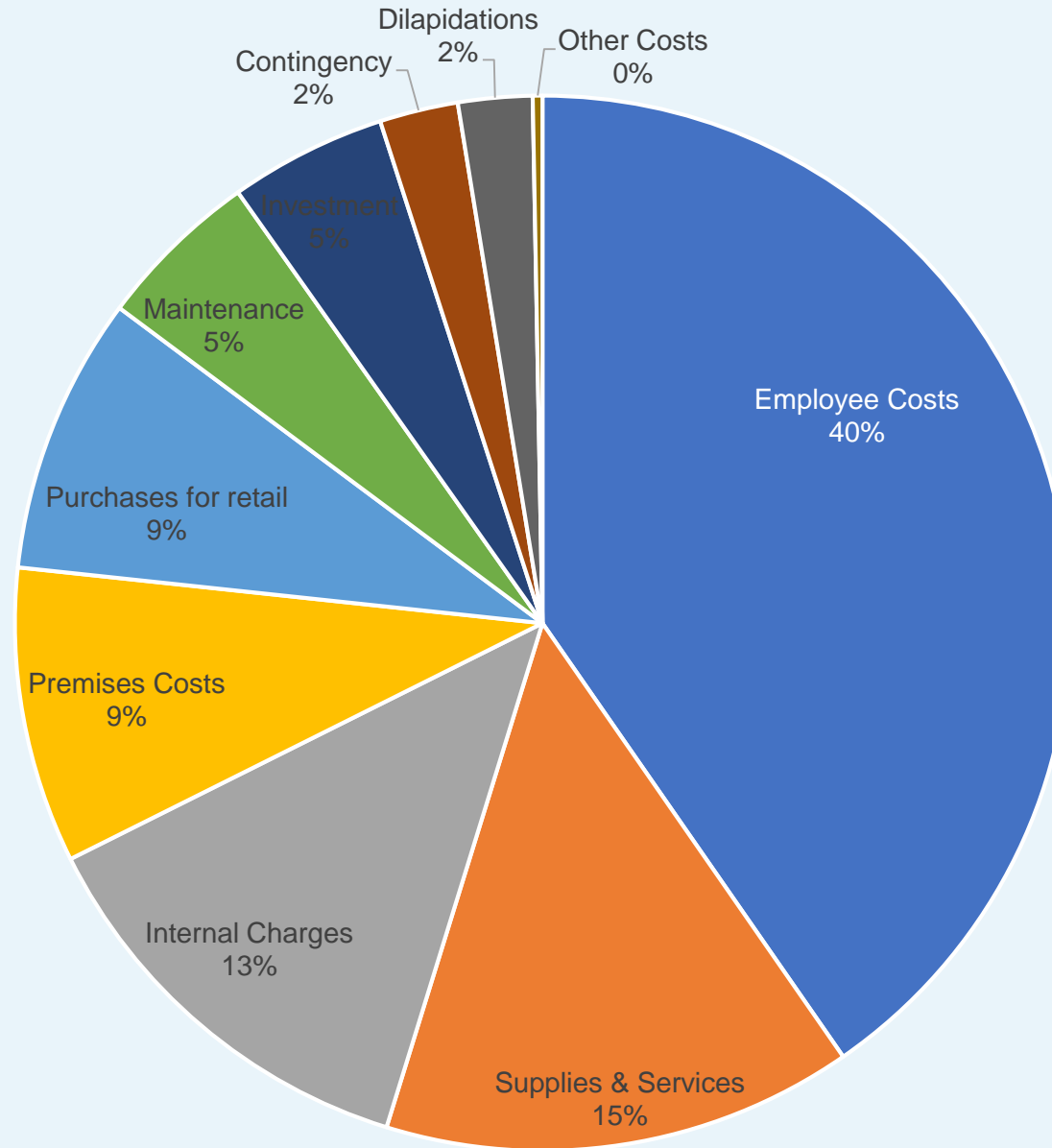
Savings identified £2.5m

These include accessing the government furlough scheme

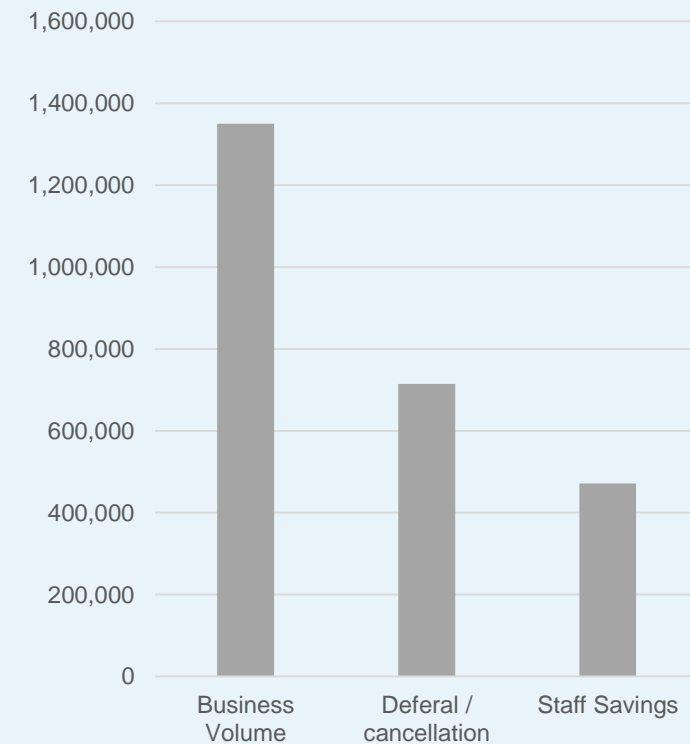
Savings represent 19% of the expenditure budget.

Heritage Services runs a very profitable operation, meaning the cost base is already lean.

## Heritage Services Expenditure



### Savings Summary



# PARKING SERVICES

## COVID-19 IMPACT

### TIMELINE:

Lockdown implemented from 23<sup>rd</sup> March 2020

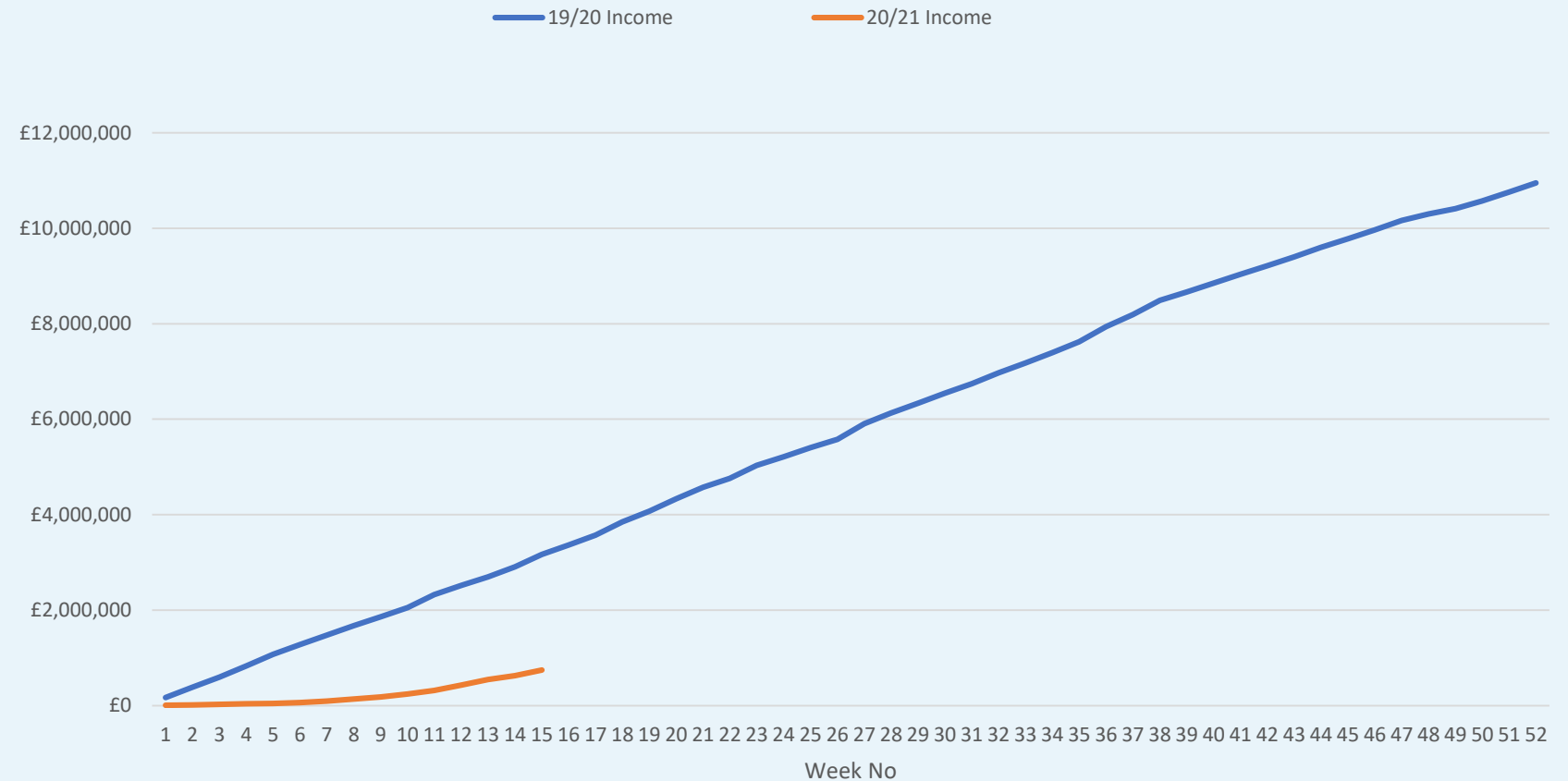
All Parking Charges for On Street, Off Street and PCN's were suspended from 25<sup>th</sup> March 2020

No parking income received in April apart from the payment of previously issued PCNs

Parking Charges re-introduced from 4<sup>th</sup> May 2020

Milsom Street closure has reduced New Bond Street Bus Gate income by 80%, other bus gates down 50%

## Total Parking Income



# PARKING SERVICES

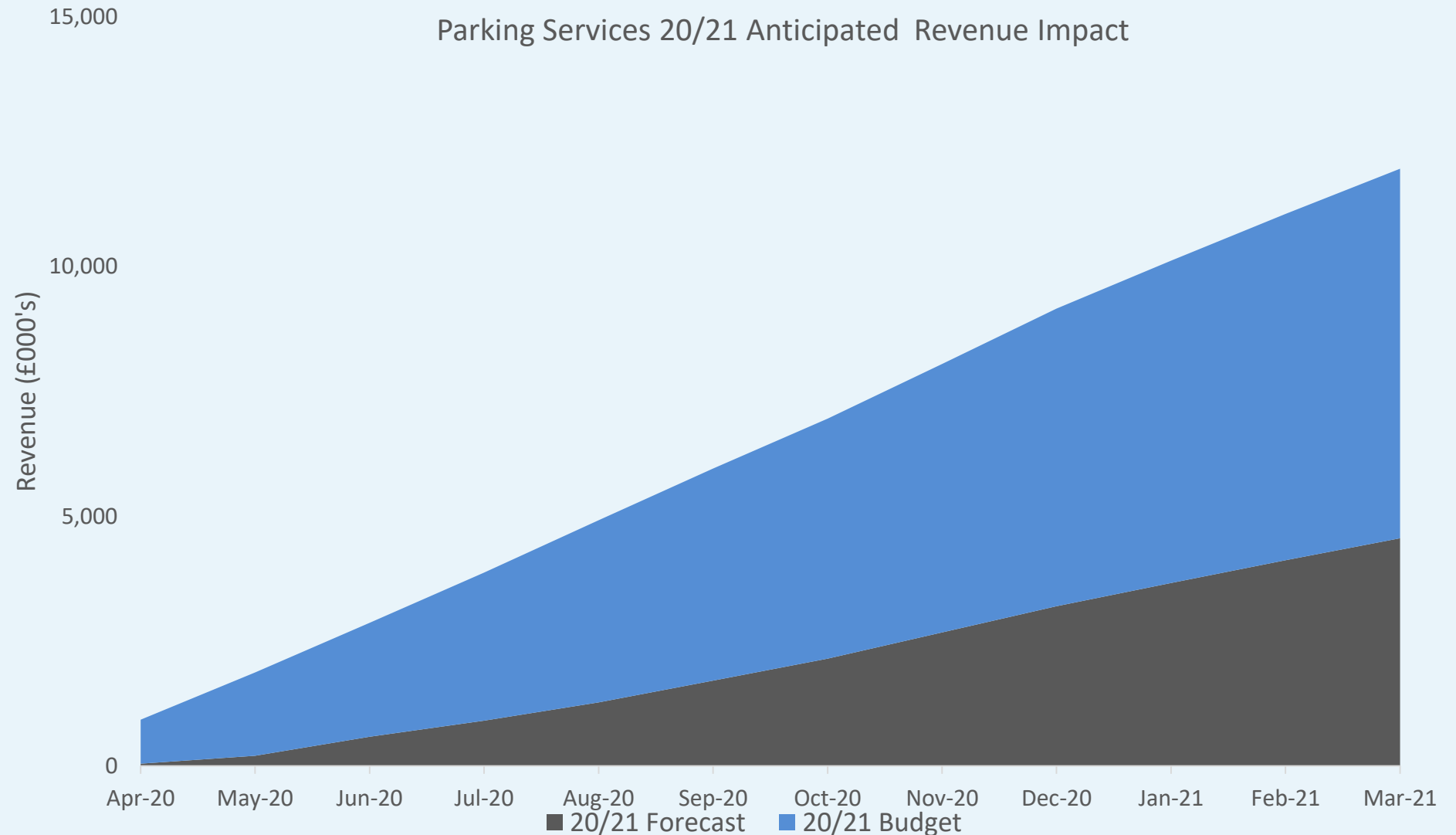
## COVID-19 IMPACT

### *Reopening Scenario Summary*

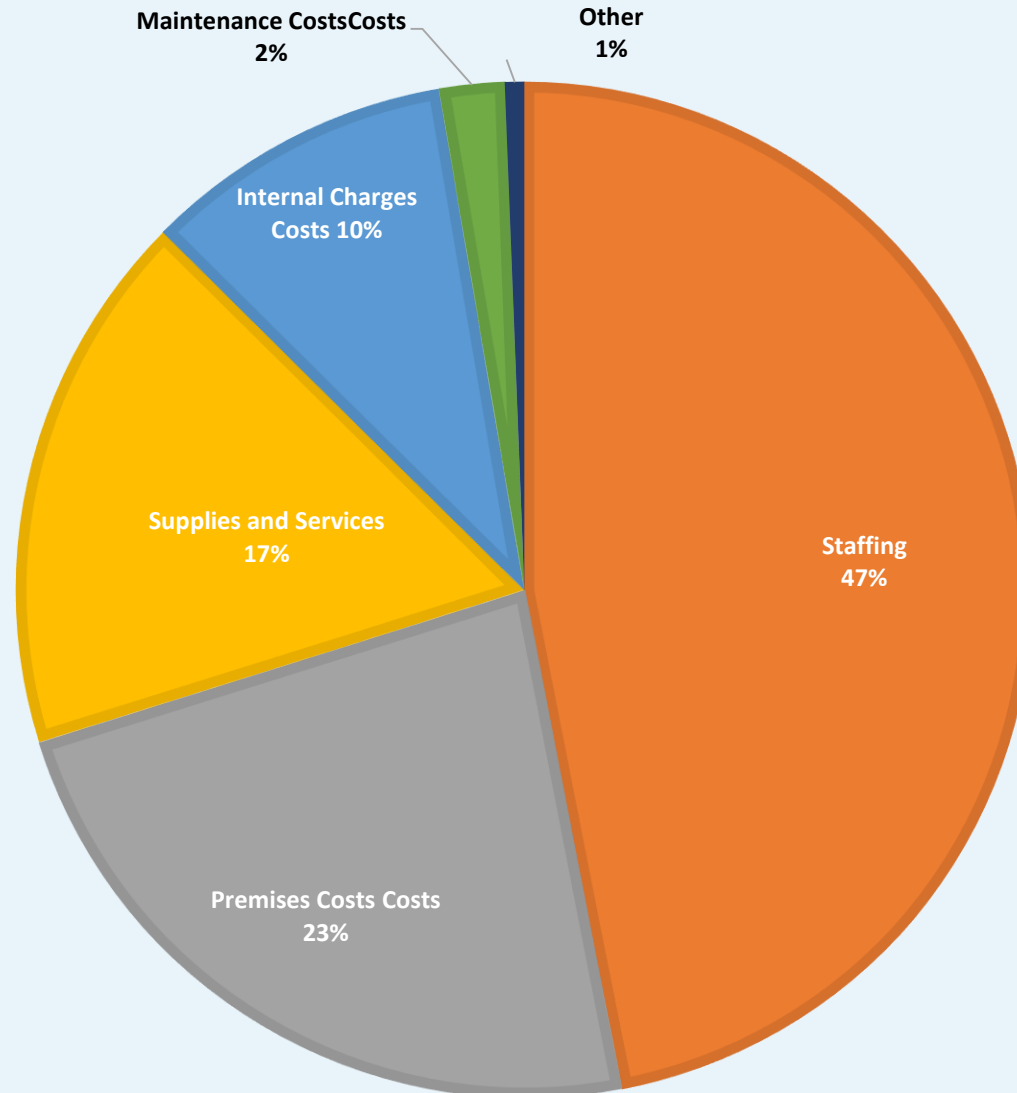
The reopening of non essential shops saw an increase in income inline with projections.

Quarter 1 income £543,331, against a Quarter 1 budget of £2,822,44

20/21 Income forecast £4,550,127 against a budget of £11,947,837 represents a loss of 62% of parking income in 20/21



## PARKING SERVICES EXPENDITURE



# PARKING SERVICES

## COVID-19 IMPACT

### *Service Financial Mitigations*

Net expenditure budget £4.4m

Recovery Plan Savings identified 20/21 totalling £122,000 made up of:

£47k Vacancy Management

£50k Blue Badge

£25k Maintenance Reduction

Plus further one off savings of £186,000 in 20/21

Potential further savings of £289,000 for 21/22 onwards

Savings represent 14% of the expenditure budget.

### *Overall Quarter 1 Forecast*

Income Shortfall £7.4m

Expenditure Mitigations £0.3m

Total Shortfall £7.1m

# PARKING SERVICES

## COVID-19 IMPACT

*Charges reintroduced from 4<sup>th</sup> May 2020*

Car park fill rates (total vehicles in and out of car park) continues to grow to approximately 66% of pre Covid levels

Delta indicates the difference between income 2019 and 2020 on a 7 day rolling average (against right axis)

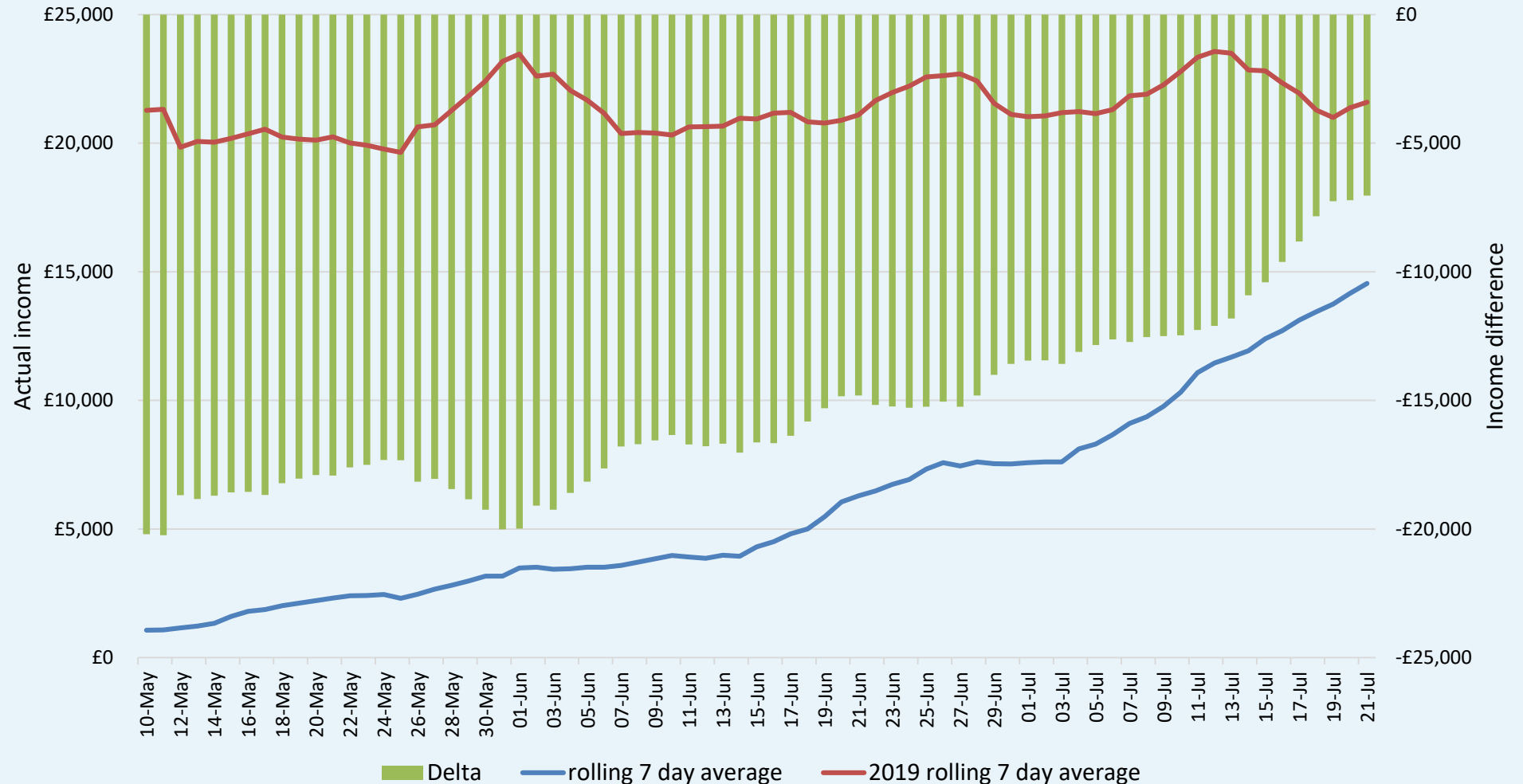
Currently yield per space approximately 69% of 2019 levels across city centre car parks

# Pay and Display income

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P&D income - 7 Day Average 2019 vs 2020



# Financial Planning Implications

## 2020/21 Budget Mitigations include

- Up to £20m of in year recovery plans approved in July.
- Access to the government income reimbursement scheme will refund 75p in every pound of lost income.

## Future years budget impact

- Income budgets are being re-set based on revised business plan projections.
- Income diversification and wider recovery measures are being incorporated into the future years medium term financial strategy to reduce reliance on visitor income.



# Panel Discussion and Q&A