

Covid -19 and it's likely impact in Batheaston

23/04/2020

As the UK lockdown continues the council should review the budget set for 2020 as this will require major updates. In contemplating what the year ahead holds for the council the impact the virus and the response measures will have on the village is an obvious link to make.

Statistics relating to the parish of Batheaston (data source 2011 census).

Total population	2735
No of households	1200
Population over 65	22% (605 people)
Population with long term health issues	16% (436 people)
Population in poor health	3.5% (95 people)
Population self employed	13% (350 people)
Population unemployed	2% (61 people)
Population, unpaid carers	11.5% (312 people)
Population in a home they own outright	42.2% (499 households)
Population in a home with a mortgage	32.5% (384 households)
Population in a home they rent	25.4% (300 households)

From the data we can readily see some issues facing our village. The immediate concern has been for the older members of the population and those with underlying health conditions.

- We have about 1 in 4 in our population being recommended to self-isolate for 12 weeks.

We also need to consider those who will see a drop in their income. Those who are self employed or in work in businesses that have been significantly affected to the government control measures. This group will require a different type of support over the coming months.

- We have at least 1 in 4 in our village who will be facing financial difficulties.

When we also take into account a comment made at the council meeting in March that a large proportion of the children in the village school receive free school meals (42 in 202 children) we must acknowledge that a significant portion of our village may be struggling to make ends meet.

A report was published by the **Office for Budget Responsibility** on the 14th April looking at what impact the coronavirus lockdown could have on the economy. It says GDP could fall by 35% in the second quarter of the year.

Here is an extract.

We do not attempt to predict how long the economic lockdown will last – that is a matter for the government, informed by medical advice. But, to illustrate some of the potential fiscal effects, we assume a three-month lockdown due to public health restrictions followed by another three-month period when they are partially lifted. For now, we assume no lasting economic hit.

***Real GDP** falls 35 per cent in the second quarter, but bounces back quickly. **Unemployment** rises by more than 2 million to 10 per cent in the second quarter, but then declines more slowly than GDP recovers. Policy measures support **households and companies' finances** through the shock.*

***Public sector net borrowing** increases by £218 billion in 2020-21 relative to our March budget forecast (to reach £273 billion or 14 per cent of GDP), before falling back close to forecast in the medium term. That would be the largest single-year deficit since the Second World War.*

With this information in mind we need to review our budget and priorities. There is little the BPC can do financially but we may be able to assist various initiatives by lending our support in other ways – reduced rate for using the Rhymes pavilion for example. The Finance committee will be meeting on Tuesday 28th April. All councillors are welcome to attend. We'd also appreciate your thoughts on other ways to support the village through this difficult period.

Catherine Gregory, Chair BPC Finance Committee.