

## Appendix 2

The pandemic brought a significant divergence from service budgets in 2020/21 as a result of rapidly introducing new services and support arrangements to communities across Midlothian, as well as from continuing adaptations and changes to how the Council is required to operate.

The assessment of expenditure, lost income and funding set out below reflects how services operated over the year.

	Expenditure	Specific Funding/ Flexibilities	Net Cost	
	£000s	£000s	£000s	Notes
<b>Table 1 – Response costs</b>				
Early Years childcare for key workers	747	747	0	Requirement on Councils to ensure Early Years childcare available for key workers (at no cost to parents and carers). Payments made to Partner Provider Nurseries during lockdown and over school summer holidays to maintain the service with lower numbers of children and no parental income. Cost has been funded by utilising the flexibility granted in respect of Early Learning and Childcare expansion specific grant.
Early Learning and Childcare COVID mitigation measures	72	72	0	Expenditure on a range of COVID mitigation measures in ELC COVID-19 mitigation measures in LA settings. Cost were funded by utilising the flexibility granted in respect of Early Learning and Childcare expansion specific grant.
Critical Childcare and Vulnerable Children Summer Provision	152	152	0	As reported to Council part funded by utilisation of PEF funding stream for summer provision.
Childrens Services	63	0	63	COVID has seen an increase in larger families requiring additional support from the team
PPE, Cleaning and Additional Staffing	823	0	823	Costs associated with maintaining a safe working environment, purchase of PPE, additional cleaning and additional hours etc.
Business Grant Scheme Administration /Winter Hardship Payments Administration	145	145	0	Including costs recharged from City of Edinburgh Council.
Waste Disposal	243	0	243	Tonnage figures across waste streams are different in 2020/21 from usual patterns reflecting additional waste generated from households during restrictions and workforce availability in delivering critical services as a priority and reduced waste disposal options for glass, garden waste, bulky items and closure of household waste recycling centres.
Supply teacher additional costs	260	0	260	The Scottish National Committee for Teachers (SNCT) representing Councils as employers, Teacher unions and Government implemented a compensation scheme for supply teachers for April, May and June with compensation based on earnings over the earlier part of the year.

				Traditionally the use of supply teachers is lower in the last term of the academic year than it is in the January to March period. Compensation payments were therefore over and above what would have been expected to be incurred in employing supply staff.
Free school meals cash payments	906	677	229	Payments to Parents and Careers of Secondary and Primary Pupils entitled to free school meals (not universal P1-3 provision) from summer onwards. School holiday periods/extended closure supported by specific Scottish Government funding
Food & other essential provision to vulnerable clients	909	909	0	Grants to Foodbanks and Community Groups. Food Vouchers and other supports to vulnerable citizens Including food and other provisions for self-isolating, shielding and other vulnerable groups met by Food Fund Allocations, Addressing Financial Hardship scheme and Level 4 support welfare funding .
Homelessness	278	85	193	Impact of increased movement of people and more regular refurbishing of vacant properties to ensure adequate infection control measures are in place.
Young Person's Guarantee	16	16	0	Balance of grant funding carried forward to 2021/22
PACE	0	0	0	
Community Justice	0	0	0	
Supporting services for vulnerable children and young people	337	333	4	
Increase in Bad Debt provisions for sundry debtors , reflecting COVID impact on collection of invoices	216	0	216	
SWF DHP top up	420	420	0	Reflects Scottish Government top up.
Other costs	326	0	326	
<b>Sub-total</b>	<b>5,913</b>	<b>3,556</b>	<b>2,357</b>	
<b>Non specific covid funding applied</b>			<b>(2,357)</b>	
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	Gross Income Lost	Reduction in costs	Net Loss	Notes
	£000s	£000s	£000s	
<b>Table 2 Lost income</b>				
Sport & Leisure	4,543	1,650	2,893	Lost Income due to closure of Snowsports Centre and Leisure Centres and ongoing restrictions was be £4.543m This is partly offset by reduced running costs of £0.490m and staffing of £1.410m.
Dalkeith Campus Income Sharing Arrangement	179	0	179	The contract for the Dalkeith Campus provides for a share of income to accrue to the Council. The income target will not be achieved and so result in a shortfall against budget.
Catering Services	1,635	1,822	(187)	Covid has had a negative impact on Catering Service ability to generate income from school meals and cafés. Income loss was £1.635 million. This is offset by a reduction in non-staffing costs of £1.308 million giving a net loss of £327k (£343k relating to Cafés, £84k Outside Catering/Offices and the balance the School Meals Service). Catering staff were redeployed to support Cleaning activities and costs of £0.385 million were recovered from Education recovery funding. In addition there are staffing savings of £129k from non-filling of vacancies as a result of building closures.
Dividends	524	0	524	The Council normally receives an annual dividend of approximately £0.450 million from its shareholding in Lothian Buses. Similarly to the position experienced in 2019/20 it is expected that there will be no dividend 2020/21.
Council Tax Buoyancy	0	0	0	Council Tax income is projected to be lower than budgeted due to new house completions coming to a near standstill in the earlier part of the year. This position has improved from that previously anticipated reflecting the restart of housebuilding.
Parking	94	0	94	Parking charges at Vogrie were suspended temporarily at the start of the pandemic resulting in an income shortfall of £47k. Public car parking charges were also suspended at the start of the pandemic and although now recommenced are expected to continue to be impacted by homeworking etc. resulting in a shortfall of £37k.
Property lets and hire of facilities	187	0	187	Loss of income due to cancellation of school letting hire of facilities.
Community Lifelong Learning contracts and fees from classes and lets	148	0	148	
Waste collection	219	0	219	Bulky Uplifts and Trade Waste.
Planning & Building Control Fee income	359		359	Covid has had a negative impact on planning and building warrant income.

Other Service income losses	297	0	297	Including registration and library income £65k, cancellation of school music instruction £165k, risk management training income £43k. Pest control £13k, MOT income £12k
<b>TOTAL</b>	<b>8,185</b>	<b>3,472</b>	<b>4,713</b>	
<b>Income Loss Scheme</b>	-	-	<b>(4,023)</b>	
<b>Non specific covid funding</b>	-	-	<b>(690)</b>	
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