

## Appendix 3

The pandemic continues to bring a significant divergence from service budgets 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 is based a range of assumptions about how services will operate over the remainder of the year and as such there remains a risk that actual costs and income losses may increase as events unfold.

	Estimated Expenditure	Estimated Funding/ Flexibilities	Net Cost	
	£000s	£000s	£000s	Notes
<b>Table 1 – Response costs</b>				
Early Years childcare for key workers	783	783	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	117	117	0	Expenditure on a range of COVID mitigation measures in ELC COVID-19 mitigation measures in LA settings. Cost has been funded by utilising the flexibility granted in respect of Early Learning and Childcare expansion specific grant.
Critical Childcare and Vulnerable Children Summer Provision	194	152	42	As reported to Council part funded by utilisation of PEF funding stream for summer provision.
Family Placements	50	0	50	COVID has seen an increase in larger families requiring additional support from the family placement team
PPE, Cleaning and Additional Staffing	1,027	10	1,017	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	152	152	0	Including costs recharged from City of Edinburgh Council.
Waste Disposal	362	0	362	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	273	0	273	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	818	416	402	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 Scottish Government.
Food & other essential provision to vulnerable clients	1,059	1,059	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	208	85	123	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	520	520	0	
PACE	84	84	0	
Community Justice	15	15	0	
Supporting services for vulnerable children and young people	333	333	0	
SWF DHP top up	420	420	0	Reflects Scottish Government top up.
Other costs	317	19	298	
<b>Sub-total</b>	<b>6,732</b>	<b>4,165</b>	<b>2,567</b>	

	<b>Estimated Gross Income Lost</b>	<b>Estimated Reduction in costs</b>	<b>Net Loss</b>	<b>Notes</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	
<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 is projected to be £4.543m This is partly offset by reduced running costs of £0.490m and staffing of £1.410m.  The Snowsports Centre and Leisure Centres opened for a short time with restricted hours and capacity. However, with the restrictions that were put in place in late December, all centres were required to close. These projections are based on all centres remaining closed for the remainder of the financial year.
Dalkeith Campus Income Sharing Arrangement	182	0	182	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	1,437	198	Covid has had a negative impact on Catering Service ability to generate income from school meals and cafés. At this stage the projected income loss is £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). In addition there are staffing savings of £129k from non-filling of vacancies currently not required as a result of building closures.
Dividends	450	0	450	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	60	0	60	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	84	0	84	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	550	0	550	Loss of income due to cancellation of school letting hire of facilities.
Community Lifelong Learning contracts and fees from classes and lets	299	0	299	
Waste collection	154	0	154	Bulky Uplifts and Trade Waste.
Planning & Building Control Fee income	535		535	Covid has had a negative impact on planning and building warrant income.
Other Service income losses	369	0	369	Including registration and library income £65k, rental income £42k, cancellation of school music instruction £165k, risk management training income £46k. Pest control £14k, MOT income £12k
<b>TOTAL</b>	<b>8,861</b>	<b>3,087</b>	<b>5,774</b>	
<b>Income Loss Scheme</b>	<b>-</b>	<b>-</b>	<b>(1,814)</b>	
<b>Net Income Loss</b>			<b>3,960</b>	