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## Corporate Committee

Tuesday, 30 November 2021

The undernoted report has been added to the agenda for the meeting of **Corporate Committee** at **09:30**, in terms of Section 50B (4)(b) of the Local Government (Access to Information) Act 1985 by reason of special circumstances on the Chair accepting the report as urgent business.

### **NOTE REFERRED TO:-**

- |   |                |
|---|----------------|
| <b>6a. Revenue Budget Monitoring to 30 September 2021</b>                                 | <b>3 - 30</b>  |
| Report by Depute Chief Executive (Economy, Environment and Finance).                      |                |
| <b>9a. Winter Support Funding</b>   | <b>31 - 40</b> |
| Report by Depute Chief Executive (Education, Communities and Organisational Development). |                |





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**REPORT TO: CORPORATE COMMITTEE ON 30 NOVEMBER 2021**

**SUBJECT: REVENUE BUDGET MONITORING TO 30 SEPTEMBER 2021**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To advise Committee of the revenue budget monitoring position to 30 September 2021 and of the current estimated out-turn for 2021/22.
- 1.2 This report is submitted to Committee in terms of Section III A (2) of the Council's Administrative Scheme relating to monitoring current revenue expenditure against approved budget.

**2. RECOMMENDATION**

**2.1 It is recommended that Committee considers and notes:**

- (i) the budget monitoring position of £167,000 over budget for 2021/22 as at 30 September 2021;
- (ii) that this position consists of an underspend on Devolved School budgets of £864,000, an underspend of £1,258,000 on Children's services, an overspend on Social Care services delivered on behalf of the Moray Integration Joint Board (MIJB) of £1,838,000, an overspend of £213,000 for partnership nurseries and an overspend on other services of £238,000;
- (iii) movement of £1,915,000 in the General Revenue Grant, as detailed in paragraph 3.4;
- (iv) the current estimated out-turn for 2021/22 of an overspend of £341,000 and an increase in the retention under the Business Rates Incentivisation Scheme (BRIS) of £23,000 resulting in a increase in the planned use of Council reserves by £318,000 from that budgeted for; and
- (v) emerging budget pressures as summarised in paragraph 6.1.

### **3. BACKGROUND**

- 3.1 When the revenue budget for 2021/22 was approved by Moray Council on 3 March 2021 (paragraph 5 of the minute refers), General Revenue Grant of £167,832,000 was estimated for the year, based on the latest amount notified to the Council and including estimates for further distributions of grant during the year. BRIS retention of £1,859,000 was included in funding. Council Tax receipts of £44,405,000 were anticipated. Budgeted expenditure of £214,106,000 was agreed, and this required projected use of £10,000 of the Council's General Reserves and use of financial flexibilities totalling £1,251,000 to balance the budget.
- 3.2 Shortly after the budget was set Scottish Government announced additional funding for local authorities in 2020/21 relating to the pandemic. This came as General Revenue Grant and is held in an ear-marked reserve. As reported to Council on 20 September 2021 (paragraph 27 of the Minute refers) pandemic-related budget pressures of £1,307,000 were included in the base budget and these could appropriately be funded from the ear-marked reserve, removing the need to use financial flexibilities or funding from free general reserve.
- 3.3 On 30 June 2021 Council approved adjustments to the base budget to reflect variances during 2020/21 which were projected to continue into 2021/22. The net effect of these adjustments was to increase budgeted expenditure by £242,000 (paragraph 17 of the Minute refers). On 12 May 2021 (paragraph 14 of the Minute refers) and 30 June 2021 (paragraph 17 of the Minute refers) Council approved additional expenditure of £191,000 to be funded from General Reserves. All of these adjustments have been posted to departments during quarter 1 and 2. On 1 July 2021 Council (paragraph 31 of the Minute refers) approved additional expenditure of £430,000 for UK Levelling Up Fund, the budget for which was posted to the department in quarter 2. The Economic Growth, Housing and Environmental Services Committee on 24 August 2021 (paragraph 6 of the Minute refers) approved additional expenditure of £30,000 for Syrian refugees to be funded from free general reserves and £100,000 for small scale projects to transform Council services to be funded from the ear-marked reserve for transformation of services. The budget for Syrian refugees has been posted to the service in quarter 2 and the budget for transformation of services will be posted during quarter 3. A proposal for expenditure of part of the budget for small scale transformation projects is the subject of a report to Council this afternoon.
- 3.4 In addition to the Council's core budget, monies allocated to schools through the Devolved School Management (DSM) scheme and not spent are brought forward from previous years. The DSM balance brought forward in 2021/22 is £1,342,000 (2020/21 £683,000). Unused funding of £802,000 received in 2020/21 for the Pupil Equity funding and £599,000 for Early Learning and Childcare has been carried forward into 2021/22 in accordance with the grant conditions.

- 3.5 Variations to General Revenue Grant (GRG) amounting to £1,915,000 have been notified. This consists mainly of additional funding relating to Covid: £870,000 for additional teachers; £549,000 for Scottish Child Payment bridging payments; £36,000 self-isolation grant extension; £92,000 for Tenant Hardship grants, and £55,000 Business Support administration grant. Other non Covid related additional funding allocated by Scottish Government relating to manifesto pledges: £187,000 to fund an increase to the National Minimum School Clothing Grant; £69,000 to remove charges for Core curriculum subjects (which is inadequate to cover the loss of income to the Council) and £57,000 funding to remove music tuition fees. As at 30 September 2021 the funding for music tuition fees and the increase to the National Minimum School Clothing Grant have been drawn down.
- 3.6 With these adjustments the Council's overall General Services revenue budget currently stands at £239,487,000.
- 3.7 Funding of £10,432,000 for the expansion of Early Learning and Childcare (ELC) was included in base budget. ELC is funded by specific grant, but for transparency it is included in the government grant figure in **APPENDIX 3**. Funding of £10,284,000 has been drawn down, leaving a balance of £148,000. It is currently projected that there will not be sufficient grant available to cover the costs by the end of the financial year and work is underway to establish whether expenditure can be contained within the level of grant as originally planned..
- 3.8 Reconciliation of the movements in the base budget from that which was approved by the Moray Council on 2 March 2021 is shown in **APPENDIX 3** and allocations to departments from the provisions for Inflation and Contingencies, Additional Costs and Savings are listed in **APPENDIX 4**

#### **4. BUDGET POSITION**

- 4.1 **APPENDIX 1** summarises the current position for each service area, comparing the actual expenditure for the year to 30 September 2021 with the budget to 30 September 2021.
- 4.2 Overall the budget position at 30 September 2021 is expenditure over budget to date of £167,000 or 0.2% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 4.3 The principal areas of overspend and underspend across the Council are summarised below.
- 4.4 In Children's Services, there is an underspend of £1,258,000 primarily due to an underspend to date on out of area childcare packages of £878,000. A contract for residential care for children in Moray has ended giving an underspend of £290,000. A further underspend of £60,000 relates to adoption placements, allowances and legal fees .
- 4.5 Devolved School budgets are underspent by £864,000 at the end of the second quarter, £410,000 in primary schools and £454,000 secondary schools. There is an overspend of £213,000 on partnership nurseries.

- 4.6 The MIJB is reporting an overspend across both Council and NHS services at the end of quarter 2 of £2,374,000. The figures included in this report relate purely to the services delivered by Moray Council on behalf of the MIJB and amount to an overspend of £1,838,000.
- 4.7 The impact of the Covid pandemic and lockdown measures that have been put in place are continuing to have significant impact on the budgets during the second quarter. All services are seeing less income than expected in the first half of the year totalling £727,000. This includes loss of leisure income above that anticipated when the budget was set, catering income, car parking income, planning and building control fees. There is also a loss of internal revenue income due to roads maintenance staff time being unable to be recharged to capital totalling £686,000 at the end of the second quarter.
- 4.8 This is partially offset due to works and spend in some services being unable to be incurred or completed due to the impact of Covid. The main service underspends total £962,000, which includes property repairs and maintenance, roads maintenance, building services, and corporate training.
- 4.9 There is also directly related Covid expenditure totalling £8,234,000. This is made up of £965,000 in Education, relating to costs of supply teachers, additional teachers and staffing for Early Learning and Childcare partner providers, financial sustainability payments, free school meal vouchers, hardship payments and additional cleaning / sanitiser; £2,000 in Housing, mainly relates to building recommissioning works (pools and libraries), £309,000 in Environmental and Commercial services for relief staff and agency staff payments covering staff who are self-isolating and £6,958,000 for business grants. All of this will be funded from covid ear-marked reserves if expenditure exceeds base budget.
- 4.10 The commitments against the ear-marked Covid reserve are included in a report to Council this afternoon.

## **5. BUDGET PRESSURES**

- 5.1 Budget pressures recognised when the budget was approved on 3 March 2021 are released when the pressure crystallises to the extent that they can be accurately quantified. Provisions to meet budget pressures and new duties totalling £5,134,000,000 have been released in quarter 2 and these are itemised in **APPENDIX 4**.
- 5.2 Provisions still held centrally at the end of quarter 2 total £15,920,000 and are detailed in **APPENDIX 5** and given a RAG assessment for likelihood of requirement.

- 5.3 Two provisions are assessed as red as they will not be required in this financial year but will be in 2022/23. Clearance of Bilbohall site for housing developments (£120,000) is expected to be delayed due to the uncertainties in the wider construction sector and the annual maintenance of automatic bollards (£7,000) will not be required until the automatic bollards are installed. The provision for maintenance of automatic bollards in Elgin High Street is budgeted to be funded from ear-marked covid reserves.
- 5.4 Eight provisions are assessed as amber, four relating to core provisions and four relating to Covid funding, for uncertainty of requirement. The four relating to core provisions are: additional whole life costing for Lossiemouth High School (£40,000); school roll numbers (£669,000); climate change (£130,000) and Building Information Model (BIM) (£20,000). Lossiemouth High School life cycle requirements will be reviewed in quarter 3 to ascertain if this is still required as the budget pressure was based on an early estimate. School roll numbers draw down was posted in October and based on the new roll figures the amount required was less than the budget allocation. Climate change consultants have been appointed, with one procurement still in train and the budget may not be required in full in this financial year. BIM is uncertain if it will be completed in this financial year. The four relating to Covid funding are: recurring costs of ICT equipment (£6,000); temporary ICT staff (£253,000); education (£1,065,000); general business grant administration funding (£176,000). Recurring ICT costs are for mobile phone monthly charges council-wide and are currently being absorbed within the current budget. Temporary ICT staff posts have only recently been filled and full year funding may not be required this financial year. Education has a delay in appointing staff and the funding is required to cover the academic year. The requirement for business grant administration funding depends upon the issue of more grants and potentially will not all be utilised this financial year. All provisions will be reviewed in quarter 3.
- 5.5 Four provisions that are classed as green have drawn down more than the original allocation. Two were reported previously for Linkwood primary school running costs and for school meals due to changes in regulations. In quarter 2 £634,000 has been drawn down for the National care home contract uplift for 2021/22, this pressure was agreed at budget setting but the costs were unknown until the national agreement was made. £201,000 was drawn down for the economic recovery plan funded from Covid reserves, as approved by Council on 28 October 2020. There are a number of strands to the planned expenditure on economic recovery and not all were reflected in the budget pressure of £85,000 originally included for 2020/21. The additional strands are included in the Short to Medium Term Financial Planning report to Council on 30 November.
- 5.6 All other provisions are expected to be required in full at this juncture.

## 6. **EMERGING BUDGET PRESSURES**

- 6.1 Emerging budget pressures are noted throughout the year as they are identified. Pressures that were identified during quarters 1 and 2 are listed in the table below :

	Para Ref	Estimated full year effect £000s
Estimated underprovision for SJC pay award	6.1	700
		700
		=====

- 6.2 This budget pressure was reported in quarter 1 and remains in place. A revised pay offer has been made and is being considered by Trades Unions. No further budget pressures have been recognised in quarter 2.
- 6.3 The budget will continue to be reviewed for any emerging pressures and further recommendations will be made to future Committees when required.

## 7. **SAVINGS**

- 7.1 Savings of £2,585,000 were approved when the budget was set on 3 March 2021. These savings comprised increased income of £25,000 from inflationary uplifts to charges for services; one-off savings of £143,000, and other permanent savings of £2,417,000.
- 7.2 To date budgets for charges have been adjusted in full. Temporary savings of £63,000 have been posted to departmental budgets. The balance relates to the Grampian Valuation Joint Board refund of requisition, the amount of £68,000 has been confirmed following the audited accounts that were approved by the Board at the meeting on 5 November 2021. The actual saving will be posted in quarter 3.
- 7.3 Of the originally approved permanent savings, a balance of £370,000 remains in central provisions as at the end of September. These are detailed in **APPENDIX 6** and given a RAG assessment for anticipated achievement.
- 7.4 Two saving totalling £103,000 are assessed as red. The savings relating to the Improvement and Modernisation programme Stream 2: ICT & Digital – schools admin (£94,000) will not be achieved in 2021/22 since the review is not expected to be completed until March 2022. This saving will be carried forward to 2022/23. Also the saving associated with moving towards a cashless car parking system (£9,000) is not expected to be achieved as less people are now using the car parks and the uptake for pay by phone is less than expected.



- 7.5 One saving totalling £20,000 is assessed as amber. The balance of the saving relating to the relocation of staff from Auchernack and Forres community centre is delayed, this related primarily to NDR saving and will not be achievable until the building is disposed of, so part of the saving may be achievable in 2021/22.
- 7.6 The other unposted savings are assessed as green - these are expected to be achieved or substantially achieved during this financial year.

## **8. ESTIMATED OUT-TURN**

- 8.1 **APPENDIX 2** summarises the first estimated out-turn position for each service area, comparing the estimated expenditure to the financial year-end with the budget to 31 March 2022.
- 8.2 Overall the estimated out-turn position for 2021/22 is expenditure over budget of £341,000 or (0.1)% of budget to date (including services delivered on behalf of the Moray Integrated Joint Board).
- 8.3 The estimated out-turn position for 2021/22 for Health & Social Care is an overspend of £3,822,000 on services provided by the Council to MIJB. The overall projected overspend for all MIJB services is £2,374,000. As the MIJB has a cost sharing agreement between the Council and NHS Grampian, an adjustment to reflect the agreement is shown. This decreases the budget shortfall for which the council is liable by £2,944,000. This brings the total anticipated variance in expenditure for 2021/22 to an overspend of £341,000. The Scottish Government has made a recent announcement of additional funding and new investment that is being put in place to help protect health and social care services over the winter period and to provide longer term improvement in service capacity. The details and implications of this are unknown at the time of writing this report, an update will be available for the quarter 3 budget monitoring report.
- 8.4 The principal areas of overspend and underspend across the Council reflect the major variances mentioned in section 4 of this report. Details of projected out-turn variances are summarised below:
- 8.5 In Children Services, there is a total projected underspend of £2,432,000. This predominantly relates to £1,700,000 for out of area childcare packages. A contract for residential care for children with disabilities has ended giving an underspend of £568,000, a report is going to a future Committee to recommend use of this underspend going forward. Adoption allowances and legal fees are projected to be underspent by £31,000; one-off income received from adoption placement is projected to give an underspend of £32,000 and throughcare/aftercare grants are expected to be £50,000 underspend to year end.
- 8.6 Staff savings from vacancies and appointment below top of scale across all services are anticipated to exceed the overall budget provision by £960,000. Variances are anticipated across all services due to the impact of the pandemic upon the recruitment process and the ability for services to replace vacancies.

- 8.7 In Education there is an estimated overspend of £1,200,000 due to the specific grant for Early Learning & Childcare being insufficient to meet current demand for this service. This will be the subject of a future report to Committee..
- 8.8 The impact of the Covid pandemic and lockdown measures that have been put in place have had significant impact on the budgets to date and this is anticipated to continue to the year end, albeit at a reduced level. All services are generating less income than budgeted, projected to total £1,005,000 at the year end. This includes loss of leisure income, catering income, car parking income, trade waste, planning and building control fees. Direct costs of response to the pandemic remain at £8,234,000 as reported in paragraph 4.9.
- 8.9 The Council Tax collection rate at this stage is holding up well against the 2019 performance and Council Tax Reduction is reducing to pre-pandemic levels, so at this stage it is estimated to achieve the budget at year end.

## **9. FREE GENERAL RESERVES**

- 9.1 The balance on general reserves (excluding DSM and ear-marked reserves) as at 1 April 2021 was £15,349,000. Use of reserves totalling £10,000 was approved when the 2021/22 budget was set.
- 9.2 Moray Council on 12 May 2021 approved an additional use of reserves of £30,000, as detailed in paragraph 3.9 in the report on Living Wage Consolidation (paragraph 14 of the Minute refers), as listed in **APPENDIX 7**. Moray Council on 30 June 2021 approved an additional use of reserves totalling £161,000, as listed in paragraph 3.23, and a net budget increase of £242,000 relating to continuing variances as reported in the outturn report, as detailed in paragraph 3.21 (paragraph 17 of the draft Minute refers). Moray Council on 1 July 2021 approved an additional use of reserves totalling £430,00 for UK Levelling up fund as detailed in paragraph 6c (paragraph 31 of the draft minute refers). The Economic Growth, Housing and Environmental Services Committee on 24 August 2021 (paragraph 6 of the Minute refers) approved additional expenditure of £30,000 for Syrian refugees to be funded from free general reserves. Moray Council on 15 September 2021 approved use of reserves of £10,000 for the Glenlivet Masterplan (paragraph x of the Minute refers)
- 9.3 Moray Council on 15 September 2021 approved further ear marking of free general reserves totalling £8,816,000 as detailed in paragraph 3.12 of the report on short to medium term financial planning (paragraph 27 of the minute refers).
- 9.4 The impact of the above leaves an estimated free balance of £5,535,000 at 31 March 2022. Additional budget pressures noted above will also reduce this balance if and when they crystallise.
- 9.5 The impact of the estimated out-turn is an increase in the use of reserves of £318,000, leaving an estimated free balance of £5,207,000 at 31 March 2022.

## **10. SUMMARY OF IMPLICATIONS**

- (a) Moray 2026: A Plan for the Future and Moray Corporate Plan**  
Effective budget management is an essential component of delivery of council priorities on a sustainable basis.
- (b) Policy and Legal**  
No policy or legal implications arise directly from the contents of this report.
- (c) Financial implications**  
The financial implications are addressed throughout the report.
- (d) Risk Implications**  
There are no risk implications arising directly from this report. Budget managers are aware of their responsibilities for managing their budgets in accordance with the Council's Financial Regulations. There is a risk to the Council arising from the agreement that if the Moray Integrated Joint Board overspends the Council will meet 37% of the additional costs incurred.
- (e) Staffing Implications**  
No staffing implications arise directly from this report.
- (f) Property**  
No property implications arise directly from this report.
- (g) Equalities**  
No equalities implications arise directly from this report.
- (h) Consultations**  
Consultation concerning Revenue Budget Monitoring is an on-going process with budget managers across the Council. CMT and Heads of Service have also been consulted in the preparation of this report and any comments incorporated.

## **11. CONCLUSION**

- 11.1 The financial position of the Council at the end of September 2021 is an overspend against General Services Revenue Budget of £167,000 (including services delivered on behalf of the Moray Integration Joint Board).**
- 11.2 Variations in General Revenue Grant totalling £1,915,000 have been notified to the council.**
- 11.3 There are emerging budget pressures of £700,000 noted for Council services at quarter 2.**

- 11.4 The estimated out-turn position consists of an overspend of £341,000 and the increase in BRIS retention £23,000, to give a net increase in use of reserves of £318,000.**
- 11.5 The Council has approved use of £998,000 from free general reserves and a transfer of £8,816,000 to ear marked reserves, with a potential further £734,000 required.**

Author of Report: Deborah O'Shea, Principal Accountant

Background Papers: Held by author

Ref: SPMAN-1293228629-623 / SPMAN-1293228629-624 /  
SPMAN-1293228629-629 / SPMAN-1293228629-630 /  
SPMAN-1293228629-625 / SPMAN-1293228629-626 /  
SPMAN-1293228629-627 / SPMAN-1293228629-628

**MORAY COUNCIL - APPENDIX 1**  
**BUDGET MONITORING REPORT**  
**QUARTER 2 to 30 SEPTEMBER 2021**

Service	Revised Budget 2021/22 £000s	Budget to 30 September 2021 £000s	Actual & Committed to 30 September 2021 £000s	Year to date variance £000s
Education, Resources & Community	26,724	12,972	12,928	44
Childrens Services	19,473	9,798	8,540	1,258
Education	66,943	28,035	27,151	884
General Services Housing & Property	3,116	1,916	1,904	12
Environmental & Commercial Services	23,707	10,192	10,800	(608)
Economic Growth & Development Services	4,993	2,257	2,288	(31)
HR, ICT & Organisational Development	5,492	3,235	3,206	29
Financial Services	1,733	1,120	1,105	15
Governance, Strategy & Performance	5,777	3,636	3,578	58
Other Services	2,419	1,276	1,283	(7)
<b>SERVICES excl HEALTH &amp; SOCIAL CARE</b>	<b>160,377</b>	<b>74,437</b>	<b>72,783</b>	<b>1,654</b>
Health & Social Care (IJB)	46,574	21,360	23,198	(1,838)
Health & Social Care (Non IJB)	172	69	52	17
<b>TOTAL SERVICES incl HEALTH &amp; SOCIAL CARE</b>	<b>207,123</b>	<b>95,866</b>	<b>96,033</b>	<b>(167)</b>
<b>Loans Charges</b>	<b>13,684</b>	<b>0</b>	<b>0</b>	<b>0</b>
Provision for Contingencies and Inflation	2,741	0	0	0
Additional Costs	15,920	0	0	0
Covid & Transformation Reserves		0	0	0
Unallocated Savings	19	0	0	0
<b>TOTAL PROVISIONS</b>	<b>18,680</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>239,487</b>	<b>95,866</b>	<b>96,033</b>	<b>(167)</b>

**Commentary on Quarter 2 Performance**

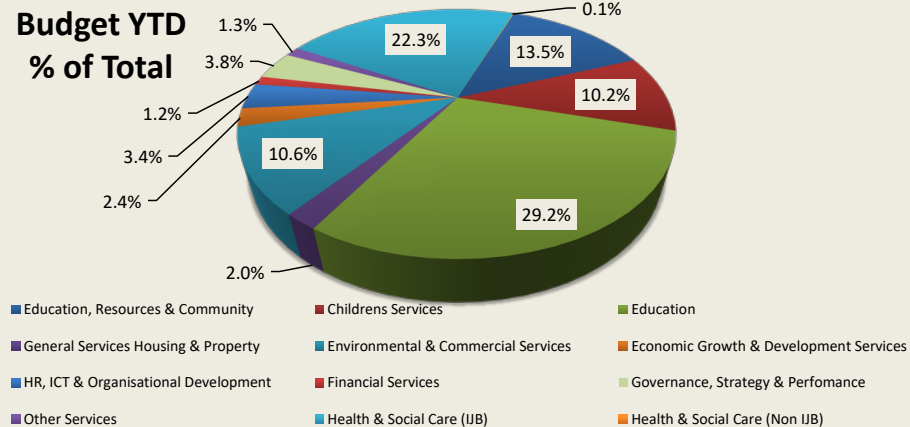
**Childrens' Services:** there is an underspend of £878,000 on OOA and additional resource packages. Contract for residential unit in Forres ended in March 2021 which has generated an underspend of £290,000 to date

**Education:** Devolved School budgets are underspent by £864,000 at the end of the first quarter, £410,000 in Primary and £454,000 in Secondary schools.

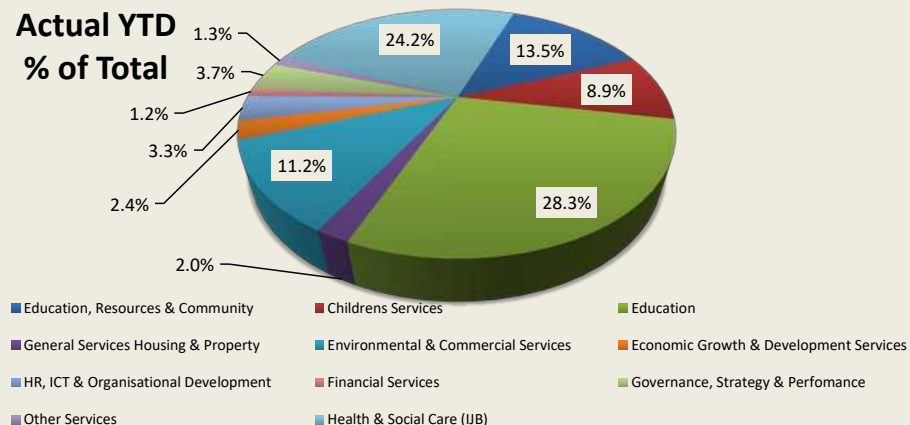
**Env & Commercial Services:** The impact of the Covid pandemic has reduced car parking income by £181,000 and £60,000 loss of income from road construction consent / closure income. Catering £183,000 loss of income due to covid and introduction of new nutritional standards. Trade waste income impacted by Covid - loss of £193,000 plus overspend on landfill tax of £64,000

**HR, ICT & Organisational Development:** Underspend of £72,000 on Corporate training budget and £14,000 on PVG checks, offset by overspends on ICT software/hardware of £55,000 and telephones of £14,000

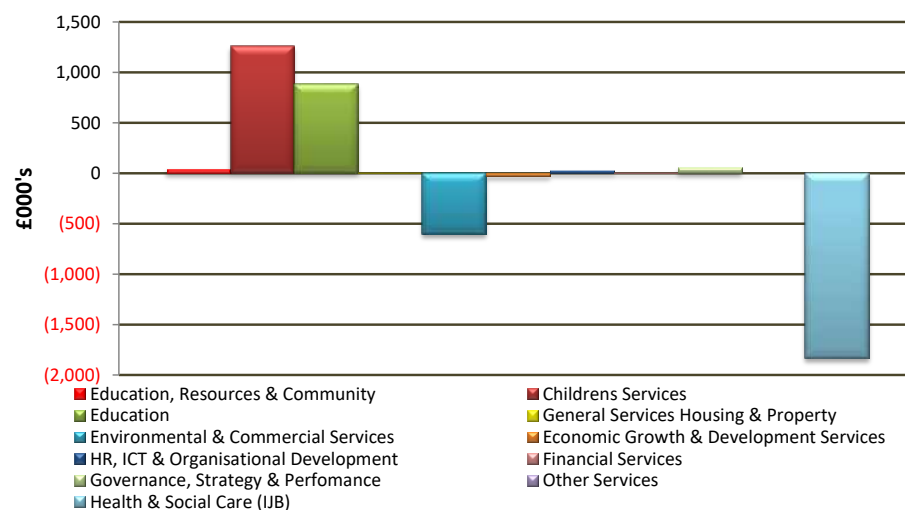
**Budget YTD  
% of Total**



**Actual YTD  
% of Total**



**YTD Actual Variance to Budget (excl Loans & Provisions)**





**MORAY COUNCIL - APPENDIX 2**  
**BUDGET MONITORING REPORT**  
**QUARTER 2 to 30 SEPTEMBER 2021**

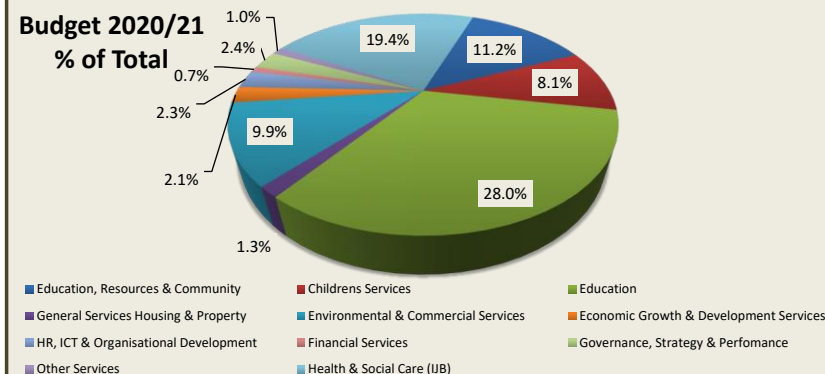
Service	Revised Budget 2021/22 £000s	Estimated Outturn 2021 £000s	Anticipated Variance £000s	Variance vs Base Budget %
Education, Resources & Community	26,724	26,232	492	1.8%
Childrens Services	19,473	17,041	2,432	12.5%
Education	66,943	68,159	(1,216)	(1.8)%
General Services Housing & Property	3,116	2,955	161	5.2%
Environmental & Commercial Services	23,707	24,222	(515)	(2.2)%
Economic Growth & Development Services	4,993	4,727	266	5.3%
HR, ICT & Organisational Development	5,492	5,329	163	3.0%
Financial Services	1,733	1,739	(6)	(0.3)%
Governance, Strategy & Performance	5,777	5,589	188	3.3%
Other Services	2,419	2,431	(12)	(0.5)%
<b>SERVICES excl HEALTH &amp; SOCIAL CARE</b>	<b>160,377</b>	<b>158,424</b>	<b>1,953</b>	<b>1.2%</b>
Health & Social Care (IJB)	46,574	50,396	(3,822)	(8.2)%
Health & Social Care (Non IJB)	172	172	0	0.0%
Adjustment to reflect cost sharing agreement			2,944	
<b>TOTAL SERVICES incl HEALTH &amp; SOCIAL CARE</b>	<b>207,123</b>	<b>208,992</b>	<b>1,075</b>	<b>0.5%</b>
<b>Loans Charges</b>	<b>13,684</b>	<b>13,546</b>	<b>138</b>	<b>1.0%</b>
Provision for Contingencies and Inflation	2,741	3,547	(806)	(29.4)%
Additional Costs	15,920	16,474	(554)	(3.5)%
Unallocated Savings	19	213	(194)	(1021.1)%
<b>TOTAL PROVISIONS</b>	<b>18,680</b>	<b>20,234</b>	<b>(1,554)</b>	<b>-8%</b>
<b>TOTAL GENERAL SERVICES EXPENDITURE</b>	<b>239,487</b>	<b>242,772</b>	<b>(341)</b>	<b>0%</b>
<b>Funded By:</b>				
Scottish Government Grant	173,325	173,325	0	0.0%
Council Tax	44,405	44,405	0	0.0%
BRIS	1,882	1,905	(23)	(1.2)%
Funded From Reserves:			0	0.0%
DSM c/f			0	0.0%
Other ear marked reserves	19,875	20,193	(318)	(1.6)%
General			0	0.0%
MIJB Adjustment		2,944	0	0.0%
<b>TOTAL FUNDING</b>	<b>239,487</b>	<b>242,772</b>	<b>(341)</b>	<b>(0.1)%</b>
<b>OVERALL VARIANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Commentary on Quarter 2 Performance**

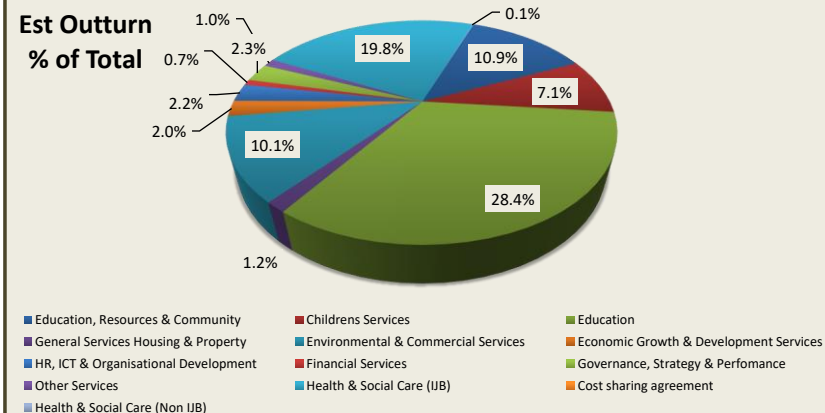
**Childrens Services:** Underspends on Forres Group Home residential care contract ending in 2021, £568,000. OOA underspend of £1.7m, together with savings in adoption allowances & legal fees of £31,000 and one-off income from adoption placement of £32,000

**Education:** overspends on partnership payments of £1.2m due to specific grant for ELC being insufficient, plus central supply of £100,000 and staff vacancy target not achieved of £51,000. These are offset by underspends on clothing grant of £100,000.

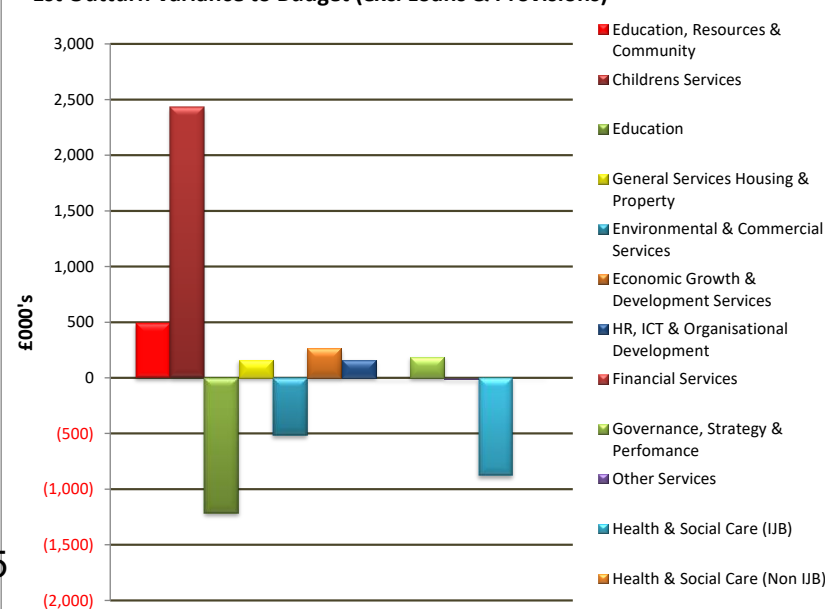
**Budget 2020/21**  
**% of Total**



**Est Outturn**  
**% of Total**



**Est Outturn Variance to Budget (excl Loans & Provisions)**







# APPENDIX 3

	Allocated Budget	Provisions for Contingencies and Inflation	Additional costs	Savings	Budget	Loan Charges	Depreciation	Total Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>3 March 2021</b>	194,303	3,530	3,651	(2,585)	198,899	15,207		214,106
School carry forwards	1,342				1,342			1,342
PEF carry forwards	828				828			828
ELC carry forwards	573				573			573
Funded from reserves - approved MC 30/06/20	138				138			138
Funded from Transformation Earmarked Reserv	5,161				5,161			5,161
Funded from Covid Earmarked Reserves	6,038				6,038			6,038
Additional GRG	3,579		0		3,579			3,579
<b>Adjustment 1</b>	(10,742)	(467)	10,168	2,541	1,500	(1,500)		0
EGH&ES 24 Aug 21	201,220	3,063	13,819	(44)	218,058	13,707	0	231,765
<b>Adjustment 2</b>	(1,819)	(322)	2,101	63	23	(23)		0
Funded from reserves - approved MC 30/06/20	608				608			608
Funded from Covid Earmarked Reserves	5,176				5,176			5,176
ELC carry forwards	23				23			23
Additional GRG	1,915				1,915			1,915
Funded from reserves - approved MC 30/06/20					0			0
EGH&ES 1 Dec 2020	207,123	2,741	15,920	19	225,803	13,684	0	239,487



## APPENDIX 4

### ALLOCATIONS FROM PROVISIONS SINCE 30 JUNE 2021

Provision for Contingencies and Inflation	Committee reference	£000s	£000s
<b>Balance at 30 June 2021</b>			3,063
Adjustment to opening balance		(60)	
Loss Moray College rental income at libraries	N/A	(15)	
Contract increases	N/A	(9)	
NDR budget adjustment	N/A	(113)	
Maximum Basic Scale (MBS) Primary & Secondary		(117)	
Other	N/A	(8)	
		<u>(322)</u>	
<b>Balance at 30 September 2021</b>			<b>2,741</b>
<b>Additional Costs</b>		<b>£000s</b>	<b>£000s</b>
<b>Balance at 30 June 2021</b>			13,819
<b>Movements in General Revenue Grant</b>			
Remove charges for core curriculum		69	
School clothing grant increase		187	
Music tuition		57	
<b>Additional Covid-19 funding in GRG</b>			
Additional teachers		870	
SCP bridging payments		549	
Business support admin grant		55	
Tenant hardship grant		92	
Local self isolation assistance service		<u>36</u>	1,915
<b>Commitments against Covid ear-marked reserves</b>			
Council Tax Reduction increase	MC 20/09/2021	300	
Additional education recovery	MC 30/06/2021	1,542	
ELC (2020/21 expenditure)	MC 20/09/2021	670	
ELC (2021/22 spend)	MC 20/09/2021	360	
Further loss of income above BP	MC 20/09/2021	1,550	
Findochty harbour income	MC 30/06/2021	17	
Hybrid committee meeting system	MC 30/06/2021	70	
Summer activities	MC 03/03/2021	10	
Livng Wage consolidation	MC 12/05/2021	30	
Learning Estate review team	MC 09/10/2020	243	
Community Council Elections	MC 30/06/2021	14	
Estates Loss of Income		23	
Library Fines		9	
Flexible Food Fund		248	
Economic Recovery	MC 28/10/2021	<u>234</u>	5,320
<b>Budget pressures approved when budget set</b>			
National care home uplift	N/A	(634)	
School roll numbers	N/A	5	
SWF budget adjustment	N/A	(19)	
DHP budget adjustment	N/A	<u>11</u>	(637)

**Funding from Transformation ear marked reserves allocated**

Business support post		(8)	
Participatory budgeting	MC 12/05/2021	(19)	
Learning estate operational budget		(10)	
Childrens services transformation project officer		<u>(52)</u>	(89)

**Funding from Covid ear marked reserve allocated**

Economic recovery plan	MC 28/10/2021	(236)	
Recurring costs of building cleaning	MC 03/03/2021	(11)	
Temporary ICT staff	MC 12/05/2021	(40)	
Education		(1,287)	
Environmental Health Officer		(27)	
General business grant administration funding		(20)	
Findochty harbour income		(17)	
Community Council election		(1)	
ELC		(148)	
Remove library borrower fines budget		(9)	
Flexible food fund		(248)	
Education recovery Payroll		(14)	
Education recovery HR		<u>(13)</u>	(2,071)

**Additional Scottish Government funding allocated**

ELC allocated	(1,780)	
Family pandemic payments	(161)	
Free school meals	(152)	
Music Tuition fees	(57)	
School clothing grant increase	<u>(187)</u>	(2,337)

**Balance at 30 September 2021****15,920****Savings & Charges****£000s****£000s****Balance at 30 June 2021****(44)****Permanent savings approved when budget set:**

Transportation management restructure	7
NI Threshold	1
Vacancy target increase	60
Financial flexibilities adjustment	<u>(60)</u>

**Savings identified after budget set:**

Elgin Library LED lighting	(4)
Elgin Library appeals refund	31
GM staffing restructure	5
Banking services	23
	<u>63</u>

**Balance at 30 September 2021****19**

## BUDGET PRESSURES

Ref	Description	Para Ref	Amount £000s	Status	Committee reference	Reasons
<b>RECOGNISED WHEN BUDGET SET</b>						
	<b>Social Work</b>					
	National Care Home Contract uplift 2020/21		(634)		MC 3/3/21	Draw down higher than provision made
	<b>Education Resources &amp; Communities</b>					
	Additional Support For Learning		83		MC 3/3/21	Balance to be drawn down in October
	<b>Education</b>					
	Linkwood primary school running costs		(7)		MC 3/3/21	The figure was an estimate based on a forecasted roll which has come in higher - Pupils have transferred from other Elgin primaries which has resulted in less required from school rolls.
	School roll numbers		669		MC 3/3/21	There will be another draw down in October based on the new roll numbers for the next academic year which have just been received. The new roll figure required is £208,238 and will be posted in October.
	Additional whole life costing Lossiemouth High School		40		MC 3/3/21	Currently reviewing energy costs of new building - new meter now includes pools so looking at sub meters to split costs. Will be drawn down in Qtr 3 if required.
	School meals (change in regulations)		(139)		MC 3/3/21	The original budget pressure was £371k split over 2 years, the £139k in 2020/21 wasn't drawn down due to the change in regs being delayed until April

	<b>Cross Service</b>					
	Clearance of Bilbohall Site for Housing Development (Loans Charges)		120		MC 3/3/21	Delays due to uncertainties in the wider construction sector. Work is ongoing with Hub North with the intention of appointing a contractor before the end of the financial year and work would commence in 2022/23 - therefore this pressure will not be required until 2022/23.
	<b>Total</b>		<b>132</b>			
	<b>Funded from Covid Earmarked Reserves</b>					
	Budget Pressures Associated with Economic Recovery Plan (MC 28/10/20)		74		MC 3/3/21	£70k drawn down for Development Plan which is an ongoing budget pressure and was part of the £197k. Second row now added for the £219k one-off budgets which wasn't originally on the control schedule. Have drawn down £201k for the Community Weath Building Officer and Economic Development projects from this. £66k for Kickstart is still to be drawn down but they are still deciding on the management arrangements for this.
	Budget Pressures Associated with Economic Recovery Plan (MC 28/10/20)		(116)		MC 28/10/20	
	Recurring Costs of ICT Equipment		6		MC 3/3/21	This £6k is for mobiles council wide but overall currently within budget so may be able to absorb?

	Recurring Costs of Building Cleaning		132		MC 3/3/21	Budget only drawn down for additional cleaning up to the end of Dec. Balance will be required for Jan-Mar assuming the additional hours will continue.
	Temp ICT staff		253		MC 12/5/21	Rest will be required but not all posts appointed as yet.
	Education		1,065			Delay in appointing staff - funding will be drawn down as staff appointed. The funding is to cover the academic year.
	EHO		(10)			Public Health Compliance Officer started April- cost of full year salary
	Annual Maintenance of automatic bollards		7			Won't be required until automatic bollards are installed. May be next financial year.
	General Business Grant Administration Funding		176			Depends if we have to issue further grants. If not then estimate £100k not required this year.
	Council tax reduction increase		300			Expected to be required
	Additional education recovery		1,542			Expected to be required
	ELC		670			Expected to be required
	Further loss of income		1,550			Expected to be required
	Hybrid Committee meeting system		70			Expected to be required
	Covid funding community council elections		(1)			Drawn down
	Adjustment to ELC 20/21		113			Expected to be required
	ELC 21/22		100			Expected to be required
	Transferred from planned use general		283			Expected to be required
	Community Council elections		14			Expected to be required
	Estates loss of income		23			Expected to be required
	Economic recovery		219			Expected to be required
	Education recovery		(13)		MC 30/6/21	Drawn down
	<b>Total</b>		<b>6,457</b>			

Funded from Transformation Earmarked Reserves					
	PMO		1,340	MC 12/5/21	Expected to be required over three year period, awaiting details of appointments
	Education business support post		(8)	MC 12/5/21	Drawn down
	Poverty		264	MC 12/5/21	Expected to be required
	Participatory Budgeting		88	MC 12/5/21	Funding will be drawn down when staff appointed.
	Climate Change		130	MC 12/5/21	Some appointments made but not all in place, late in financial year that not all will be required in 21/22
	BIM		20	MC 12/5/21	Trying to get this done this FY but may need to be carried forward. Expects £15k spend over remainder of year
	Education Investment		3,200	MC 12/5/21	Expected to be required
	Service Developments		100	CMT	Expected to be required, 1 option reported to Council 30/11/2021
	Learning estate		(1)		Drawn down
	Learning estate operational budget		(10)		Drawn down
	Childrens services transformation project officer		(52)		Drawn down
	<b>Total</b>		<b>5,071</b>		
<b>ADDITIONAL BUDGETS APPROVED</b>					
	Reduction in Music Instruction charges		(47)		drawn down
	Additional 1 fte Solicitor post		(55)		drawn down
	MC outturn report		(263)		drawn down
	Scottish Welfare Fund budget adjustment		(19)		drawn down
	Discretionary Housing Payment budget adjustment		11		drawn down
	Staycation spend		(85)		drawn down
	<b>Total</b>		<b>(458)</b>		



<b>FUNDING FOR NEW DUTIES</b>						
	Appropriate Adult Funding		18			Held
	Reduction in GRG due to FSM overpayment		(88)			Held
	Pandemic Support Payments		895			Held. Low Income Pandemic Payments (LIPP) no spend yet but payments to start coming through late October and full spend by end of year anticipated.
	Education Recovery (Share of £60m)		981			Held
	Self Isolation Grant		36			Anticipate some of this will be required
	Free School Meals Extension		495			£128k drawn down in Q1 & £152k in Q2 This is for the impact of p4 FSM from Aug 21 (food costs and loss of income). Work is ongoing to establish the costs for P5 from January.
	Living Wage Shortfall Funding		562			Held
	Core curriculum funding		69			Held
	Additional teachers funding		870			Held
	SCP Bridging payments		549			Held
	Business support admin grant		55			Held
	Tenant hardship grant		92			Held
	Local self isolation assistance service		36			Held
	<b>Total</b>		<b>4,570</b>			
	ELC Specific Grant		148			
	<b>Total</b>		<b>15,920</b>			



SAVINGS			APPENDIX 6		
Ref	Description	Para Ref	Amount £000s	Committee reference	Update Qtr 2
<b>Approved for 2020/21 budget:</b>					
	<b>Environmental &amp; Commercial Services</b>				
	Savings associated with moving towards a cashless car parking system		(9)	EGHES 6/10/2020	Estimated saving on cash collection. Saving minimal as less people using car parks. Only 19% now using Pay by Phone, less of an uptake than expected
	<b>Education Resources &amp; Communities</b>				
	Relocate staff from Auchernack plus Forres Community Centre staff restructure		(20)	MC 27/02/2019	The majority of the remaining budget is NDR. Until the building is disposed of, we will still incur these costs and savings will not be realised
	<b>Cross Service</b>				
	Increase in NI threshold		(6)	MC 27/02/2019	
	Vacancy targets		(54)	MC 02/09/2020	
	<b>Indicative Savings from I&amp;M programme</b>				
	Stream 2: ICT & Digital - Schools Admin		(94)	MC 26/09/2019	Unlikely to achieve any savings in 21/22 - review due to be completed by March 2022
	Stream 4: Review & Expansion of Flexible Working		(44)		
	Use of financial flexibilities		(60)		
	<b>Total</b>		<b>(287)</b>		
	<b>Temporary Savings</b>		<b>(80)</b>		GVJB refund, £68,000 to be achieved following audited accounts
	<b>Balances from roundings:</b>				
	Savings		2		

<b>Additional Savings Identified :</b>				
Children Services Head of Service Saving		53		
School Transport Contract saving Linkwood Primary		70		
Reduction of School transport days - 194 to 190		88		
MC 12/2/20 Cleaning and Catering management restructure (posted after budget rolled)		21		
Staff travel budget savings per Head of Legal		11		
Brumley Brae Rent		42		
Halls LED Lighting		4		
LED Lighting Schools		11		
Elgin Library LED Lighting		5		
MC outturn report		21		
Elgin library appeals refunds 17/18 - 20/21		24		
Elgin library appeal		6		
GM staffing restructure		5		
Additional BRIS		23		
		384		
		19		

## APPENDIX 7

General Reserves	Committee reference	Approved £000s	Budget released £000s
General Reserves @ 1 April 2021		15,349	
Less commitments against reserves when budget was set:			
Summer activities	MC 03/03/21	(10)	
Budget reduction from variance report	MC 30/06/21	(242)	(242)
Funding from reserves approved in 2021/22:			
Living wage consolidation consultancy	MC 12/05/21	(30)	(30)
Rapid Rehousing Transition Plan (RRTP)	MC 30/06/21	(97)	(97)
Community Planning Partner projects	MC 30/06/21	(11)	(11)
Pop up shops	MC 30/06/21	(11)	(11)
Local Growth Accelerator programme	MC 30/06/21	(19)	(19)
Moray Growth Deal	MC 30/06/21	(23)	(23)
Wellbeing co-ordinators	ECOD 03/02/21	(60)	(60)
Removal of gas system at Greenbrae	MC 10/03/21	(35)	(35)
UK Levelling up fund	MC 01/07/21	(430)	(430)
Syrian refugees	EGHES 24/08/21	(30)	(30)
Glenlivet Masterplan	MC 15/09/2021	(10)	
		(756)	(746)
Approved use of reserves		(1,008)	
Ear marked for transformation	MC 15/09/21	(1,816)	
Ear marked for Council priorities: Moray Growth deal	MC 15/09/21	(4,000)	
Ear marked for Council priorities: other priorities	MC 15/09/21	(3,000)	
Free balance @ 30 Sept 2021		5,525	
Estimated outturn		(318)	
<b>Estimated free balance @ 31 March 2022</b>		<b>5,207</b>	





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**REPORT TO: CORPORATE COMMITTEE ON 30 NOVEMBER 2021**

**SUBJECT: WINTER SUPPORT FUNDING**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the introduction and proposed implementation of the Scottish Government's Winter Support Funding in the final quarter of 2021/22.
- 1.2 This report is submitted to Committee in terms of Section III (B) (7) of the Council's Scheme of Administration relating to the regulation and management of finances of the Council in accordance with the policies determined by the Council and to prepare and review from time to time such rules as may be necessary for the proper administration of the Council's financial affairs.

**2. REASON FOR URGENCY**

- 2.1 The funding has only recently been announced by the Government.

**3. RECOMMENDATION**

**3.1 It is recommended that Committee:**

- (i) **Note the work of the Money Advice Moray team and the success of the Flexible Food Fund scheme;**
- (ii) **Note the Scottish Government's policy intentions of the new Winter Support Fund 2021/22;**
- (iii) **Approve the proposal at paragraphs 4.3 and 4.4 to enhance the existing Flexible Food Fund scheme for the final quarter of 2021/22 to deploy the Winter Support Fund and delegate authority to the Benefits and Money Advice Manager to determine and manage the amounts payable under the Scheme within the confines of the Scottish Government funding;**
- (iv) **Authorise the allocation of Scottish Government pandemic funding to recruit one temporary post for a clerical assistant on**

**grade 3 for a period of 12 months to support the Money Advice Moray team.**

#### **4. BACKGROUND**

- 4.1 Previous briefings to the Emergency Cabinet IMT last year (17 April 2020, 5 May 2020, 7 July 2020 and 17 November 2020) set out how the Council intended to allocate Scottish Government funding for the provision of food to individuals and local communities throughout Moray during the pandemic.
- 4.2 The Flexible Food Fund (FFF) was developed in-house in response to the Scottish Government principles of managing a food fund which included providing local flexibility, financial support and a whole household, whole needs response. The FFF was launched on 12 May 2020 and is still running to date. Our approach in Moray to food and financial insecurity has been recognised as a best practice by the Scottish Government as it offers a “cash-first” solution alongside a holistic and long-term support service for individuals and families experiencing extreme financial hardship.
- 4.3 FFF grants, which are fully funded by the Scottish Government, are paid directly into eligible householders’ bank accounts. The scheme provides up to two monthly payments which represent a contribution towards household food costs. The amount of a payment is based on the size of household. Columns 1 and 2 of the table in paragraph 4.5 below provides details.
- 4.4 To be eligible for the FFF, clients should be in receipt of, or have underlying entitlement to, certain benefits (means tested benefits such as Universal Credit, and those that provide evidence of circumstances such as disability benefits) and are struggling to make ends meet during the crisis.
- 4.5 The Money Advice Moray (MAM) team, which administers the FFF scheme, also works with householders to maximise income through benefits and other grants, help with budgeting, reviewing bills and debts, offering statutory and non-statutory debt solutions. Householders are advised from the start of the process that payment of FFF comes alongside this wider support and failure to engage with the MAM team may result in the second monthly payment being withdrawn.
- 4.6 In 2020/21, the FFF scheme paid out £499,952 over two tranches of Scottish Government funding. The first tranche was active up to 30 September 2020 and the second tranche ran from 01 December 2020 to 31 March 2021. When the second tranche opened it was a restart of the scheme which meant that it was open to anyone to apply including recipients from the first tranche. Over 703 households received FFF from the first tranche of funding in 2020/21 and 759 households from the second tranche. 26% of households received payments in both tranches and 76% maintained their engagement with the Money Advice Moray team and received two monthly payments.
- 4.7 In 2021/22 the Scottish Government provided funding for the full financial year. The scheme was reopened on the 01 April 2021 and is still in operation. So far £189,110 has been paid out to 736 households with around 43% engaging with the Money Advice Moray team and receiving two monthly



payments. **Appendix 1** provides more detailed information on the 2021/22 scheme to date.

## **5. WINTER SUPPORT FUNDING**

5.1 On the 29 October 2021 the [Scottish Government announced](#) that a further £41 million would be made available to support low income households across Scotland. Guidance has recently been made available to local authorities in deploying £25 million of that funding to support households experiencing financial insecurity. A further £10 million will be available through national partners who are tackling fuel poverty, and a further £6 million through third sector partners that support low income households.

5.2 To tackle financial insecurity over winter 2021-22, local authority options under the Sinter Support Funding guidance include:

Emergency financial assistance, such as:

- Supplementing local budgets for the Scottish Welfare Fund
- Boosting local funding for Discretionary Housing Payments
- Proactive financial assistance to support those likely to experience hardship – including people who may have been impacted by the cut to Universal Credit and those who may not be eligible for mainstream or other support
- Build upon supports already delivered by local authorities, such as Scottish Child Payment Bridging Payments.
- Financial assistance to access to food, fuel and other essentials
- Direct assistance to access food, fuel and other essentials where this is more appropriate or is the preference of individuals themselves
- Other activities and services, as necessary, to support individuals to overcome financial crisis and support wellbeing, including targeted activity to support marginalised groups, activity to prevent and address homelessness, and funding to community and third sector organisations

5.3 As the period of funding is restricted to the financial year 2021/22, this limits the scope for further considerations and development of processes and resources. As the guidance provides a strong steer in favour of cash-first responses, the integration of money advice and holistic support services to prevent future hardship, it is therefore proposed that the Council's existing FFF scheme be enhanced to deliver the Winter Support Funding.

5.4 It is proposed that the FFF scheme is enhanced inviting households to access the financial support available for the period 05 January 2022 to 31 March 2022. The existing monthly payment towards food costs will be enhanced to incorporate a contribution towards fuel costs, as outlined in paragraph 4.5 below. Based on previous tranches of the FFF it is anticipated that over 700 households are likely to access this funding and based on the 2021/22 household demographic at Appendix 1, it is anticipated that a budget of £163,000 will be required to provide a single payment to eligible householders.

- 5.5 It is proposed that discretion is given to the Benefits and Money Advice Manager to finalise the value of the payments under the proposed enhancement of the Flexible Food Fund scheme taking into account of the funding allocation once this is notified to the council. Indicative payments would be as follows.

<b>Household size</b>	<b>Existing Monthly FFF Payment</b>	<b>Additional contribution towards fuel</b>	<b>Total monthly payment</b>
Single adult	£70	£30	£100
Single parent + 1 child	£160	£40	£200
Single parent + 2 children	£220	£50	£270
Single parent + 3 children	£280	£60	£340
Single parent + 4 children	£340	£70	£410
Single parent + 5 children	£400	£80	£480
Couple	£130	£40	£170
Couple + 1 child	£220	£50	£270
Couple + 2 children	£280	£60	£340
Couple + 3 children	£340	£70	£410
Couple + 4 children	£400	£80	£480
Couple + 5 children	£460	£90	£550

\* For each additional child or adult, payment will increase by £70.

## **6. STAFFING**

- 6.1 The Money Advice Moray team have been operating the Flexible Food Fund over the last 18 months with no additional resources. Their core work (debt advice, income maximisation and welfare benefit advice) has increased due to the additional demand created by the impact of the pandemic and the financial incentive of operating the FFF scheme. The FFF scheme also creates additional administration work for the team in terms of payment and audit processes and this is on top of the onerous admin related to the EU funding compliance. Although the Winter Support Funding is restricted to the remainder of the current financial year, it is highly anticipated that the Scottish Government will continue to look to local authorities to provide this type of service, particularly as they are promoting a cash-first approach to food / financial insecurity across Scotland and there is currently an consultation on the ending of foodbanks and considering alternative approaches. Consequently it would be beneficial for the team to be supported with their additional admin tasks for an initial period of 12 months.
- 6.2 Scottish Government funding streams include provision for administrative costs and it is proposed to use this to fund an additional temporary administrative resource to the MAM team for one year.

## **7. SUMMARY OF IMPLICATIONS**

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Poverty and social inclusion is the overarching priority of the LOIP. Local Authorities and NHS have statutory duties to reduce child poverty in Scotland.

**(b) Policy and Legal**

It is understood that COSLA Leaders have received a verbal update on the Winter Support Funding and distribution was to be formally considered by the Settlement and Distribution Group on Wednesday 17 November and Leaders thereafter.

The Department for Work and Pensions have advised that local welfare provision - such as financial and in-kind payments made by a local authority to help meet an immediate short term need arising out of an exceptional event or exceptional circumstances, and that requires to be met to avoid a risk to the wellbeing of an individual - will be disregarded when it comes to legacy benefits. This means that a crisis cash payment, voucher or card provided by a local authority should not affect social security entitlement under the current circumstances.

**(c) Financial implications**

Grant Funding

A budget of £163K will be required to operate the enhanced Flexible Food Fund scheme proposed in this report. The existing FFF has an outstanding budget and it is estimated that by the end of December the unspent budget requirement would be in the region of £45K. Once offset, the net Winter Support Fund budget would be approximately £118K based on the indicative values in this report.

The Scottish Government proposes that the funding is allocated through a redetermination to General Revenue Grant with payments in the final two weeks of the current financial year. Local authorities are required to complete a reporting template to outline how the funding is being deployed, an estimate of costs and whether the allocation is sufficient to fund these activities. However local authorities have not been notified of their funding allocation.

Although the Winter Support Fund allows for the uplift of the Scottish Welfare Fund budget, spending on the total available budget currently stands at 59%. However it should be noted that this budget includes an accumulation of previous years' unspent budget. Spending against the 2021/22 annual budget is currently at 95%.

Staffing Costs

£24K (grade 3 including on-costs) for 1 FTE clerical assistant on a temporary basis covering a period of 12 months to support ongoing demand for Flexible Food Fund payments. Scottish Government funding streams include provision for administrative costs and it is proposed to use this to fund an additional temporary administrative resource to the MAM team for one year.

**(d) Risk Implications**

The funding allocation for the Moray Council under the new Winter Scheme is not known yet but a verbal update should be able to be given at Committee.

The risk of not approving the additional temporary post are:

- i. Reduced ability to provide core functions of debt advice, income maximisation and welfare benefit advice which will also impact on EU project targets.
- ii. Potential negative impact on EU funding administration and compliance due to the service being over-stretched.

**(e) Staffing Implications**

Detailed in paragraph 5 above.

**(f) Property**

No impact

**(g) Equalities/Socio Economic Impact**

The Scottish Government guidance provides relevant data on potential risk groups which may be affected by financial insecurity. The existing scheme and the proposed enhanced scheme does not exclude any of these risk groups.

**(h) Consultations**

Consultation has taken place with the Depute Chief Executive (Education, Communities and Organisational Development), the Head of Governance, Strategy and Performance and Tracey Sutherland, Committee Services Officer and any comments have been incorporated into the report.

**8. CONCLUSION**

**8.1 The financial impact on households from the pandemic has not diminished. More recently with the ending of the furlough scheme, removal of the £20 Universal Credit uplift and the concerns over rising fuel costs, these have continued to negatively affect household budgets creating worries over deepening financial insecurity. [The Joseph Rowntree Foundation has provided an independent report on the impact of poverty in Scotland in 2021.](#)**

**8.2 It is anticipated that the Scottish Government will continue to look to local authorities to provide local support to families and individuals with a strong steer in favour of cash-first responses alongside the integration of money advice and holistic support services to prevent future hardship.**

**8.3 It is recommended that the Council approve the proposal to enhance the Flexible Food Fund scheme for the remainder of the financial year to incorporate the Winter Support Funding and authorise the temporary increase of 1 FTE clerical assistant to support the Money Advice Moray team.**

Author of Report: Norma Matheson, Benefits and Money Advice Manager  
Background Papers:



## FLEXIBLE FOOD FUND

Types of households accessing Flexible Food Fund support in 2021/22.

Household	No. of FFF	Household	No. of FFF
1 Adult	251	2 Adult	68
1 Adult + 1 Child	116	2 Adults + 1 Child	49
1 Adult + 2 Children	82	2 Adults + 2 Children	39
1 Adult + 3 Children	36	2 Adults + 3 Children	23
1 Adult + 4 Children	22	2 Adults + 4 Children	15
1 Adult + 5 Children	6	2 Adults + 5 Children	7
1 Adult + 6 Children	3	2 Adults + 6 Children	2
		2 Adults + 7 Children	1
		2 Adults + 8 Children	1
		2 Adults + 11 Children	1
3 Adults	6		
3 Adults + 1 Child	1	4 Adult + 2 Children	1
3 Adults + 2 Children	3		
3 Adults + 3 Children	2	6 Adults + 1 Child	1

Number of households in local areas accessing Flexible Food Fund in 2021/22.

Area	No. of FFF
Roths, Craigellachie, Aberlour, Tomintoul, Ballindalloch, Glenlivet,	21
Dufftown, Keith	78
Buckie, Portknockie, Portgordon, Findochty, Cullen	99
Elgin, Lhanbryde, Alves	279
Lossiemouth, Burghead, Hopeman, Roseisle, Cummingston	126
Mosstodloch, Fochabers, Speybay, Garmouth	28
Forres, Kinloss, Findhorn, Dallas	105

