

UPDATED COST PRESSURE SUMMARY 2021/22

Status		2021/22 £	2022/23 £	2023/24 £	2024/25 onwards £	Comments
Unavoidable Items 2021/22 Budget						
On-going impact of items agreed as part of last year's forecast.	REVENUE - Operational Services - Public Realm - Expiry of Commuted sums / no commuted sums agreed with Developer to support open space maintenance etc.	8,000	8,000	8,000	8,000	This budget is required to maintain open space etc. to existing standards.
	REVENUE - Corporate Services - IT and Corporate Resilience - Expenditure to compliment the on-going digital transformation programme	13,500	16,000	31,300	31,300	The amounts reflect a varied range of expenditure to support the continued digitalisation programme such as equipment to enable officers to work from home (H&S requirement), hosting costs, mobile telephony costs, website / intranet hosting costs and cyber security costs.
	REVENUE - Operational Services - Public Realm - Fleet contract hire / lease costs	5,000	4,000	6,000	6,000	To maintain the transport fleet to current standards ensuring departments can continue to provide good customer service and supporting the Council's reputation.
	REVENUE - Corporate Services - Finance Other Corporate Costs - New 5 year banking contract entered into in 2019/20	7,000	7,000	7,000	7,000	Reflects new banking contract prices which included a one-off reduction in the first year so cost pressure required from 2021/22.

Items currently included within the forecast	REVENUE - Corporate Services - Local Council Tax Support Scheme - reduced Government support	14,190	14,190	14,190	14,190	Reflects the reduction in Government Grant Funding in 2020/21, which is assumed to be on an on-going basis. Figures for 2021/22 have yet to be announced so this cost pressure could increase before the budget is finalised in February 2021.
	REVENUE - Corporate Services - Finance, Revenues and Benefits - Reduced income from the Council Tax Sharing Agreement with the major preceptors	88,500	88,500	88,500	88,500	Although collection performance is expected to recover from the COVID 19 crisis over 2021/22, this reflects a period where income may remain behind pre-COVID levels in the interim period.
	REVENUE - Corporate Services - Members Allowances - To reflect the decision at Full Council in September	47,000	53,500	60,000	66,500	This includes the one-off increase in the base budget in 2020/21 and an inflationary allowance each year in-line with the same estimated uplift for Officers
	REVENUE - Corporate Services - Members Other Costs - Member Training	5,000	5,000	5,000	5,000	To provide an ongoing base budget to provide training to members following the depletion of a one-off cost pressure from previous years.
	REVENUE - Corporate Services - Members Other Costs - Microphone System	5,000	5,000	5,000	5,000	This reflects the estimated ongoing maintenance costs associated with the new microphone system that was agreed as part of the financial performance report at the end of the second quarter of 2020/21

	REVENUE - Operational Services - Reduction in external contributions	12,730	12,730	12,730	12,730	This reflects the end of a funding agreement with a Parish / Town Council. There are currently reduced opportunities to make a corresponding adjustment to expenditure budgets but this position will need to be considered as part of any future review of the provision of CCTV.
	REVENUE - Corporate Services - Bar Code, Credit & Debit Card Charges - increase in merchant acquirer costs	40,000	40,000	40,000	40,000	This reflects the increase in card payments as part of the wider service transformation initiatives.
	REVENUE - Corporate Services - Interest & Investment Income - Reduced income from low interest environment and expected reduction in cash balances	270,040	270,040	270,040	270,040	This reflects an expected period of low interest rates along with a reduction in the money that can be invested due to the planned increase in activity to deliver a range of projects across the Council going into 2021. The figure is net of a small reduction in MRP and Interest paid on outstanding loans. This adjustment excludes income from investment property which is not expected to reduce.
Total of Unavoidable Items Included in the 2021/22 Budget		515,960	49,190	66,490	66,490	

Items to be mitigated / met via reductions elsewhere within the overall budget						
NOT Included in Forecast 2021/22 and beyond	REVENUE - Corporate Services - Finance, Revenues and Benefits - Estimated Reduction in Housing Benefit Administration Grant	61,500	61,500	61,500	61,500	There will be a reduction in the housing benefit administration grant receivable from the Government on a year on year basis to reflect reduced housing benefit workload over the period that Universal Credit is being rolled out. This will be mitigated via a corresponding reduction in employee costs via the management of vacancies etc.
NOT Included in Forecast 2021/22 and beyond	Revenue - Operational Services - Homelessness - Cost of Temporary Accommodation / Homelessness Initiatives	70,000	70,000	70,000	70,000	The Government have continued to support homelessness via grant funding, a position that is expected to continue into 2021/22, especially given the increased demand emerging from the COVID 19 pandemic. Initiatives to increase / maintain the supply of temporary accommodation continue such as the remodelling of Spendells House and the extension of the licence to use hotel accommodation within Clacton that is subject to a separate decision elsewhere on the agenda. The situation will be reviewed as part of the on-going forecast and it may be necessary to include this cost pressure in the base budget in future years.
Total of Mitigated Items		131,500	131,500	131,500	131,500	

TOTAL OF ALL COST PRESSURES ABOVE	647,460	180,690	197,990	197,990	
TOTAL OF COST PRESSURES INCLUDED IN THE 2021/22 BUDGET (Total of all cost pressures less mitigated items)	515,960	49,190	66,490	66,490	