

COST PRESSURE SUMMARY

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
(1)	(2)	(3)	(4)	(5)	(6)
Unavoidable Items - On-going					
External Audit Fees	77,000	77,000	77,000	77,000	This broadly reflects a 'correction' to the previous national procurement process where External Auditors found themselves unable to meet the various requirements as part of the PSAA arrangements. It also responds to the additional work that Auditors are required to undertake in accordance with the audit code / standards. This adjustment brings the total fee payable per year to just over £160k, which to a large extent replicates the fee payable under the previous Audit Commission regime.
Insurance Premiums Costs	0	26,000	26,000	26,000	This item reflects the increase in insurance costs following the recent renewal process. Costs may increase further during 2024/25 but this will not be known until the next annual renewal process is undertaken during the summer / autumn of 2024. This will therefore be kept under on-going review as part of the Financial Performance reports during next year.
District Elections Costs	0	15,000	15,000	15,000	The budget currently allows for a contribution of £30k per year to be set aside in an associated reserve to meet the cost of the district elections every 4 years. To reflect inflationary cost increases, a one-off amount of £60k was agreed to support the cost of the elections held in May this year. The amounts set out therefore reflect the on-going impact of these inflationary impacts, with the annual contribution increasing from £30k per year to £45k per year.

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Commercial Investment Property Potential Rental Income Reduction	0	0	0	125,000	The current lease agreement for the investment property in Clacton comes to an end in 2025/26. The adjustment proposed allows for a potential reduction in the rent payable (from approx. £225k per annum to £100k per annum) from 2026/27. This will be subject to further review / revision over the life of the remaining years of the existing lease agreement, with the adjustment proposed reflecting a pragmatic / prudent view for the purposes of the forecast.
Waste Collection Contract - Costs of disposing of collected waste to an alternative ECC site.	0	90,000	90,000	90,000	Within the Q1 Financial Performance Report considered by Cabinet on 6 October 2023, an adjustment was made in 2023/24 that reflected the fact that collected waste now had to be disposed of at an alternative site provided by ECC. This adjustment therefore reflects the on-going impact from 2024/25 onwards.
Taxi Testing - Reduced Income	25,000	25,000	25,000	25,000	The existing base budget currently reflects income derived from the in-house team undertaking vehicle testing for local taxi operators. This stopped during the period of the COVID 19 pandemic and over time operators have made alternative arrangements with other providers. The proposed budget adjustment therefore reflects the on-going impact.
The Council's Corporate Income Management System	0	10,000	10,000	10,000	Within the Q1 Financial Performance Report considered by Cabinet on 6 October 2023, an adjustment was made in 2023/24 that reflected the additional costs associated with an 'upgrade' to the Council's income management IT system. The adjustment included from 2024/25 reflects the on-going impact as also highlighted in the Q1 Financial Performance Report.
Modern.gov IT costs	10,000	3,270	3,270	3,270	This reflects additional costs associated with the on-going development of the system.

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BT phone line discount no longer available	17,000	34,000	34,000	34,000	BT have recently advised the Council that from 01 October 23 they are ceasing all 'multi-line accumulator discounts' applicable to the various fixed phone lines across the Council. Work is now underway to identify options that could include terminating a number of phones lines where it may be operationally possible to do so. The figures currently included reflect the worst case scenario of not being able to significantly reduce the number of phone lines required, however this will be kept under review and updated accordingly over the remainder of this budget cycle.
IDOX Contract	41,630	10,450	10,450	10,450	IDOX is a corporate IT system that provides the Council with a document / property / case management solution e.g. the system used by the Planning Service. As part of the existing 3 year contract, there is a requirement to migrate to the software providers own cloud based system. The costs included represent the one-off migration costs in 2023/24 and then additional on-going annual licencing costs. It is important to highlight that the Council is working in partnership with other LA's with the aim of developing viable alternatives in response to potential further increases in future costs.
Homelessness Costs	250,000	500,000	500,000	500,000	Although the Government have recently announced a number of changes that are expected to have a favourable knock on impact on the level of homelessness and the increasing costs faced by Local Authorities nationally, there is still likely to be a cost pressure over and above the existing base budget. Although in respect of 2023/24, an additional amount of £250k has already been included in the budget as part of earlier financial performance reports, further costs are still expected. The figures for 2024/25 reflect the estimated on-going impact whilst also recognising the positive impact that Spendalls House will have from 2024 onwards. The Service remains committed to exploring options to reduce the on-going financial impact on the Council and further changes may be necessary later in the financial year.

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Energy Costs	0	300,000	300,000	300,000	Although the market is subject to volatility, there is some relative stability at the moment and the amounts included are based on the most up to date prices for gas and electric, which have seen a reduction compared to those last year. It is still expected that any increase in 2023/24 can be met from the contingency budget that was set aside rather than having to include additional funding in the budget via this report.
Total of On-Going Items	420,630	1,090,720	1,090,720	1,215,720	

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Unavoidable Items - One-Off					
Careline Net Costs	120,000	296,000	0	0	As reported during the year, the department is actively exploring options to reduce the net cost of the service, the outcome of which will be reported to Cabinet as early as possible in 2024. The figures currently proposed reflect the estimated worse-case scenario in 2023/24 and 2024/25 pending the outcome of this review. This will therefore remain under on-going consideration, including the potential impacts in 2025/26 and beyond before the budget proposals for 2024/25 are finalised for reporting to Council in February 2024.
Garden Waste - Potential Unrecoverable Debt	70,000	0	0	0	Following earlier discussion during the year, it is proposed to set aside this level of funding to meet the cost of income that may prove to be unrecoverable for reasons set out in earlier reports. The service continues to implement a number of actions in response to the associated issues, which may in turn enable this figure to be reduced accordingly.
Key Financial Management IT System Upgrade	0	100,000	0	0	Similarly to the position experienced elsewhere in the Council this year, the Council's main financial management IT system becomes unsupported from December 2024. It is therefore proposed to set aside the potential upgrade costs as part of the 2024/25 budget, although a final decision will be made during next year, which will include the exploration of options available to the Council along with associated risks.
Waste & Street Cleansing Contract Inflation	123,500	0	0	0	The figure highlighted for 2023/24 reflects a higher inflationary uplift than included within the original budgets. The knock on impact for 2024/25 and beyond is included within a separate line of the forecast (Line 19 Appendix A)
Total of One-Off Items	313,500	396,000	0	0	
Total of Unavoidable Items Included in the Forecast	734,130	1,486,720	1,090,720	1,215,720	

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Change across years for Inclusion within the forecast		-	(396,000)	125,000	