

**COST PRESSURE SUMMARY**

					Proposed Budget Adjustments										
	Adjustments made to the budget to date in 2024/25	On-Going Base Budget Adjustment Included in 2024/25 £	2024/25 One-Off Additional Amount Agreed Earlier in the Year £	Total Adjustments 2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £	2033/34 £	Comments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
<b>On-going Items</b>															
Insurance Premiums Costs	Base Budget 24/25 - £26k  Q1 Financial Performance Report 2024/25 - Further £25k	26,000	25,230	51,230	31,730	31,730	31,730	31,730	31,730	31,730	31,730	31,730	31,730	This item reflects the most up to date position following the recent renewal process. Costs may increase further during 2025/26 but this will not be known until the next renewal process is undertaken during the summer / autumn of 2025. This will therefore be kept under on-going review as part of the Financial Performance reports during next year.	
Commercial Investment Property Potential Rental Income Reduction	Base Budget 24/25	0	0	0	0	125,000	125,000	125,000	125,000	125,000	125,000	125,000	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.	
Homelessness Costs	Base Budget 24/25 - £500k  Outturn Report 2023/24 - Further £500k  Q2 Financial Performance Report 2024/25 - Further £1.2m	500,000	1,700,000	2,200,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	This area of the budget remains a significant financial challenge, although the Government have committed to providing extra funding to support Local Authorities. Although Spendells House will have a significant positive impact, it is likely that additional costs will be incurred over and above the £500k included in the base budget from 2024/25 onwards. With this in mind, a further sum of £500k has been included from 2025/26, which will be reviewed in light of any additional financial support emerging from the Local Government Finance Settlement.	
Vehicle Hire Costs	Base Budget 24/25	34,100	0	34,100	8,500	62,400	62,400	62,400	62,400	62,400	62,400	62,400	62,400	This reflects the cost associated with the rolling replacement of various existing fleet vehicles used within Services.	
Career Track Net Revenue Position	Q3 Financial Performance Report 2023/24 - £25k  Outturn Report 2023/24 - Further £50k	0	75,000	75,000	50,000	40,000	30,000	20,000	10,000	0	0	0	0	As previously reported the Service continues to work towards reducing the overall subsidy where possible. This amount reflects a revised approach where a phased reduction in the required subsidy is proposed from 2025/26 onwards.	
Reduction in recreation grounds income - general hire and bookings	Q1 Financial Performance Report 2024/25	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	This adjustment recognises the on-going reduced income being experienced across the Council's various recreation grounds.	

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Software Licences	Q1 Financial Performance Report 2024/25	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	This reflects the on-going impact from a decision in 2024/25. As part of previous discussions, it was highlighted that the Council is working with other LA partners with the aim of developing viable alternatives to the associated property case management system (IDOX) which is becoming increasingly important due to the increased costs associated with our existing software provider.
Merchant Acquirer Fees	Q1 Financial Performance Report 2024/25	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	With an increase in people paying by credit / debit card, the associated cost to the Council of accepting cards also increases. This however remains a cost effective mechanism to accept payments.
Tendring E-Newsletter	Q2 Financial Performance Report 2024/25	0	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	This cost pressures relates to the purchase of software to support the publication of a regular e-newsletter. This is a priority action as part of the Council's Communication Strategy / Highlight Priority actions.
Car Parks - Additional merchant acquirer costs to facilitate payment by credit / debit cards	Q2 Financial Performance Report 2024/25	0	19,000	19,000	19,000	On-going cost to be funded from Parking Income from 2025/26 onwards								
External Audit Fees	New / Additional Sum	112,000	0	112,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	This cost pressure reflects the continuing increase in costs associated with the work of the External Auditor, from both a statutory perspective and where they are commissioned to undertake the certification of grant claims work required by the Government.
Members Code of Conduct - Responsibilities under Localism Act 2011 e.g. Review of Complaints / Investigations	New	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	This reflects the increased costs expected to continue on an on-going basis from 2025/26.
Independent Remuneration Panel Allowances	New	0	0	0	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	This reflects the decision made by Full Council on 26 November 2024, where allowances for members of the panel were highlighted / agreed.
Electoral Registration	New	0	0	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	This reflects increased postage costs being incurred. The Service are exploring opportunities to reduce this cost where possible.
Clacton Leisure Centre - 'Regular' Repairs & Maintenance Costs	New	0	0	0	17,000	On-going cost to be funded from Leisure Income from 2025/26 onwards								

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Clacton Leisure Centre - 3G Pitch - Future Replacement Fund to ensure money is available when necessary in line with the associated external funding agreement.	New	0	0	0	7,000	On-going cost to be funded from Pitch / Leisure Income from 2025/26 onwards								
<b>Total of On-Going Items</b>		672,100	1,881,230	2,553,330	827,830	953,730	943,730	933,730	923,730	913,730	913,730	913,730	913,730	
<b>One-Off Items</b>														
Weeley Council Offices Costs	Q3 2023/24	0	65,000	65,000	65,000									This reflects the continuing cost of ownership, which includes items such as business rates and utility standing charges. Once ownership is transferred in accordance with the associated agreement then these costs will no longer be payable. Work remains in progress to limit the time that the Council retains this liability, with therefore only a potential additional cost in 2025/26 with no further costs expected in future years.
Implement Beach Patrol Recommendations	Q3 2023/24 - £60k Q1 2024/25 - Further £38k	0	98,000	98,000	98,000									This reflects the costs associated with implementing recommendations from a recent review in partnership with the Royal Life Saving Society UK (RLSS). £98k was included in the budget to meet the associated costs for the 2024 season. It is proposed to include the same sum in the 2025/26 budget for the 2025 season with a review to be undertaken as to the longer term position / impact.
Continuation of contribution for the Harwich PCSO	Q3 Financial Performance Report 2023/24	0	24,650	24,650	25,000									It is proposed to set aside the required funding for this post for a further year subject to a separate report during 2025/26.
Fixed Term Family Support Officer	Q3 Financial Performance Report 2023/24	0	48,750	48,750	49,000									It is proposed to set aside the required funding for this post for a further year subject to a separate report during 2025/26.
Fixed Term Housing Early Intervention Officer	Q3 Financial Performance Report 2023/24	0	43,610	43,610	44,000									It is proposed to set aside the required funding for this post for a further year subject to a separate report during 2025/26.
Community Governance Review - Clacton-on-sea, Holland-on-sea and Jaywick Sands	New	0	0	0	48,400									As agreed by Full Council on 26 November 2024
<b>Total of One-Off Items</b>		0	280,010	280,010	329,400	0	0	0	0	0	0	0	0	
<b>Total of Unavoidable Items Included in the Forecast</b>		672,100	2,161,240	2,833,340	1,157,230	953,730	943,730	933,730	923,730	913,730	913,730	913,730	913,730	
<b>Change across years for Inclusion within the forecast</b>			-	-	-	(203,500)	(10,000)	(10,000)	(10,000)	(10,000)	0	0	0	