Appendix 2: Revised breakdown of projected budgetary implications

	2025/26	2026/27	2027/28	3-year period 2025/26-2027/28	Comments
COST ESTIMATES					
Projected employee costs	276,000	0	0	276,000	Assumes 4 ¼ months staffing costs under the Option 3/5 scenario set out in the February 2025 Cabinet report's financial assumptions. However staff numbers have continued to fall and underspend from the staffing budget is being employed to secure interim third-party support from Careium, Stockport Homes and Colchester Helpline as necessary during the transition period.
Projected other costs	118,000	0	0	118,000	Assumes, worst case scenario, that other costs including supplies and services, transport and premises costs extend over the whole of the 2025/26 financial year with certain contracts/obligations having to be honoured by TDC over an extended period beyond the transfer date. It is likely that the outturn cost for 2025/26 will be lower than this estimate. Costs in this category also include TDC's potential contribution towards continued third-party support in initial weeks following the transfer, until data on UMO and JonTek systems are integrated.
Total expenditure	**394,000**	**0**	**0**	**394,000**	Assumes costs do not continue into years 2026/27 and 2027/28 following the transfer to Colchester Helpline in 2025/26.
INCOME ESTIMATES					
Service-user (fee-payer) income	(197,000)	0	0	(197,000)	Estimated 2025/26 service-user income for a 4 ¼ month period 1 April- 7 August up to revised transfer date. From date of transfer, this income will go to Colchester Helpline.
Income from third-party contracts/services	(11,600)	0	0	(11,600)	Estimated 2025/26 income from remaining 11 third-party contracts/services for a 4 ¼ month period 1 April- 7 August. These contracts/services will come to an end in late August 2025, before the revised transfer date.
Other income	(4,200)	0	0	(4,200)	Estimated income over 4 ¼ month period from other sources.
Charge to HRA (Housing Revenue Account)	(23,000)	0	0	(23,000)	Internal re-charges to the HRA to cover cost of Careline provision to TDC sheltered will end following transfer, with future payments instead going to Amphora.
Income from use of accommodation at Barnes House	(8,900)	0*	0*	(8,900)	Includes initial set-up fee and cost-recovery for internal changes to the building to be used by Helpline as an outpost for responders and monthly licence fee income up to end of March 2026. * Potential for further income in 2026/27 and 2027/28 if Amphora look to extend licence arrangement post March 2026.
Total income	**(244,700)**	**0**	**0**	**(244,700)**	Assumes no service-user customer income to TDC for Careline services beyond 7 August 2025.
NET POSITION	**149,300**	**0**	**0**	**149,300**	
AGAINST SERVICE BUDGET	**(137,700) ***	**(152,000) ****	**(152,000) ****		* For 2025/26, current budget of circa £287,000 per annum reflects the Option 3/5 scenario in the February 2025 Cabinet report, taking into account inflation. ** For 2026/27 and 2027/28, budget assumption is £152,000 (for Out of Hours/CCTV services only) based on Option 2 in the February 2025 Cabinet report (see comments under Transitional Service Payment below).

	2025/26	2026/27	2027/28	3-year period 2025/26-2027/28	Comments
ESTIMATED ONE-OFF IMPLEMENTATION/TRANSITION COSTS					
Transitional Service Payment	469,500	0	0	469,500	Based on an estimated fee quote discussed with Amphora (subject of further negotiation) to cover cost of Out-of-Hours/Sheltered Housing/CCTV monitoring over a 2 year and 7¾ -month (31¾ month) period from 7 August 2025 to 31 March 2028 (up to anticipated date of creation of a Unitary authority). If annualised, this cost is circa £178,000 per annum – which equates broadly with TDC's own research and estimates, albeit above (by around 17%) the assumption of £152,000 included within Option 2 in the February 2025 Cabinet report.
Digitisation Contribution – Service-User devices	145,000	0	0	145,000	Based on a 50% contribution towards the upgrade and replacement of circa 1,100 individual service-users' devices.
Barnes House to Colchester Town Hall fibre link	25,000	0	0	25,000	Sum to cover the cost of installation and three-years rental cost for a fibre link between Barnes House and Colchester Town Hall to enable live transmission of CCTV footage – along with cost of a stand alone monitoring PC in Clacton and licences for an increased number CCTV cameras following proposed deployment.
Disturbance Travel Allowance Financial Contribution	20,000	0	0	20,000	One-off cost for 2025/26 to assist TDC staff transferring to Helpline with travel costs for 12 months as part of a smooth transition. Final cost dependent on how many staff actually transfer to Helpline and travel implications.
Legal costs	60,000	0	0	60,000	Costs include external legal support for drafting and finalising the legal agreements.
JonTek/UMO service-user data transfer	10,000	0	0	10,000	Cost for transferring service-user data from the UMO system used by Careline to the JonTek system used by Helpline.
Staff honorarium payments	9,500	0	0	9,500	Honorarium payments to remaining Careline staff which were paid in July 2025 following approval from the HR Workforce Panel.
Contract resolution payment	2,000			2,000	Payment to Helpline to serve remaining third-party contracts in the short period between service transfer and termination.
Total one-off cost	**741,000**	**0**	**0**	**741,000**	The final position remains subject to technical accounting adjustments required due the proposals impacting both the GF and HRA, which will be included in any subsequent updates via separate reports or as part of the regular financial performance reports during the year as necessary.
AGAINST ONE-OFF BUDGET	**(3,000)**	**0**	**0**	**(3,000)**	Against agreed one-off implementation/transition budget of £746,000. The choice of a one-off Transition Service Payment for Out-Of-Hours/Sheltered Housing/CCTV) as opposed to an annual fee payment makes up a large proportion of the proposed one-off expenditure that would otherwise be met through annual service budgets.
OVERALL PROJECTED POSITION FOR THREE-YEAR PERIOD 2025/26-2027/28				**(446,700)**	Based on an overall budgetary assumption of £1.337m (made up of £591,000 service budget for the three years 2025/26, 2026/27 and 2027/28 and £746,000 one-off implementation/transition budget. The projected net cost of the proposals in the emerging Transition Plan is estimated at £149,300 revenue + £741,000 one-off expenditure which gives a positive overall three-year net position of circa £(446,700).