

Appendix 3 - COUNCIL COST AND DEMAND PRESSURES 2021-22 to 2025-26

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case					Mid Range Scenario					Worst Case				
			2021-22 £000	2022-23 £000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2021-22 £000	2022-23 £000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2021-22 £000	2022-23 £000	2023-24 £,000	2024-25 £,000	2025-26 £,000
Chief Executive's Unit	Financial Services	Universal Credit "Full" Service went live in Sept 2018, but managed migration has been deferred to 2021 and will not be completed until 2024. The DWP will reduce the Housing Benefit Administration Subsidy they pay to the Council as some claimants come off of Housing Benefit processed by Council staff and go onto Universal Credit processed by the DWP. The Council's caseload has reduced by 14% in the first year of Full Universal Credit but it is hard to predict just how quickly the rest of the working age caseload will migrate from Housing Benefit to Universal Credit between now and 2024. DWP announce funding allocations each December. For 2020/21 we are benefitting from transitional protection. These figures represent our best estimates at this time.	40	80	120	160	200	40	80	120	160	200	40	80	120	160	200
Executive Director - Douglas Hendry	Commercial Services	There is an ongoing need for the Council to manage the activities associated with delivery of the Asbestos Management Plan. An earmarked reserve equivalent to £90k per annum was agreed by the Council in FQ2 2017 which should allow the management arrangements to be funded until the end of FQ2 2020 on the understanding that this provision is the subject of ongoing review. From a budgetary perspective, the best case scenario is that funding of the anticipated staff resource will continue to be required beyond the end of FQ2 2020 with no emergent asbestos related issues. The worst case scenario includes an allowance to deal with non-funded emergent issues associated with the management of asbestos.	28	28	28	28	28	48	48	48	48	48	68	68	68	68	68
Executive Director - Douglas Hendry	Education	Microsoft are changing the terms of their Office Enterprise Agreement for Education from October 2020 and a new licence agreement will be required to replace the current licence. This requires devices be moved to Office 365. The cost of this will increase from £44.92 to £55.94 per licence, costing an additional £20k per annum.	20	20	20	22	22	20	20	20	22	22	20	20	20	22	22
Executive Director - Douglas Hendry	Education	There is an ongoing need for the Council to manage the maintenance/repair of Schools estate through the education central repairs budget. The demand on this budget has continued to increase due to the amount of statutory maintenance work and emergency repairs which no longer allows for any planned maintenance to be carried out. The cost of planned maintenance has fallen on the service which cannot be sustained. Failure to carry out planned maintenance will impact significantly on the cost of emergency repairs in the future.	200	200	200	200	200	225	225	225	225	225	250	250	250	250	250
Executive Director - Douglas Hendry	Education	The demand for ASN support in Argyll and Bute has continued to grow with a significant increase in, and early identification of children and young people presenting with complex additional support needs, including mental health difficulties. It is anticipated that growth continues over the next 5 years however the extent of this growth is difficult to determine. Scottish Government statistics show that the number of pupils identified with ASN has increased markedly since 2010 and there continue to be year on year increases. These increases are likely due to continued improvements in recording and the introduction of the additional need types 'Child plans' and 'Other' in 2011. Scottish Government statistical datasets show that the percentage of school roll in mainstream schools of pupils with ASN has increased by approximately 3% year on year. Within many authorities, this means increased numbers of children accessing specialist provision.	0	0	0	0	0	72	145	219	294	370	144	292	444	601	763
Executive Director - Douglas Hendry	Commercial Services	Significant changes to Food and Drink in Schools standards causing a negative impact on Secondary School income.	32	32	32	32	32	65	65	65	65	65	98	98	98	98	98

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Executive Director - Kirsty Flanagan	ICT	Further extend the roll out SKYPE for Business to Education - Cost of two senior engineers necessary for both implementation and ongoing support for an additional 70+sites and 1800 staff accounts.	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Executive Director - Kirsty Flanagan	Financial Services	Oracle EBS Upgrade/Replacement - Additional revenue costs of software support for Financial system. The range reflects a simple upgrade to a move to an Cloud based solution	35	35	36	37	38	86	86	86	86	86	99	99	99	99	99
Executive Director - Kirsty Flanagan	Financial Services	Oracle EBS Upgrade/Replacement Backfilling project team resource during replacement Financial system planning, testing & implementation.	50					100					200				
Executive Director - Kirsty Flanagan	HR	Costs for a project team for a new HR system & Backfill . This is a total new system build unlike the financial system.			150					200					250		
Executive Director - Kirsty Flanagan	Waste	Additional costs derived from the current waste model. Note that the treatment of waste going forward has not been fully costed due to uncertainty as to how the council will deal with the Bio Municipal Waste ban and the Deposit Return Scheme. Pressure has increased due to an updated waste model.		91	98	116	169		91	98	116	169		91	98	116	169
Executive Director - Kirsty Flanagan	Planning	Local development plan will require to be done under the new Planning legislation which is a revised process from the current one and will have a 10 year life. The new process has 2 stages where there is likely to be a cost pressure - a gate check followed by an examination some time later.			50		50			50		50			50		50
Executive Director - Kirsty Flanagan	Planning	Implementation of the Planning Act and Planning Fees will not be until at least Q2 2020 (April to June 2020) and therefore there will be a delay in achieving the savings target of £125k set as a Management operational saving TB06-8	30	0	0	0	0	60	0	0	0	0	90	0	0	0	0
Executive Director - Kirsty Flanagan	Environmental Health	Introduction of Small Quantities Charge for Export Health Certificates creating a possible loss of income	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	0	0	0	0	0	250	500	750	1,000	1,250	500	1,000	1,500	2000	2500
<b>TOTAL</b>			<b>490</b>	<b>541</b>	<b>789</b>	<b>650</b>	<b>794</b>	<b>1,021</b>	<b>1,315</b>	<b>1,936</b>	<b>2,071</b>	<b>2,540</b>	<b>1,564</b>	<b>2,053</b>	<b>3,052</b>	<b>3,469</b>	<b>4,274</b>