

Appendix 3 - COUNCIL COST AND DEMAND PRESSURES 2022-23 to 2026-27

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case					Mid Range Scenario					Worst Case				
			2022-23 £000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2022-23 £000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2022-23 £000	2023-24 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,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 marginally since implementation of 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. 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	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	198	198	0	0	75	206	206	0	0	145	444	444
Executive Director - Douglas Hendry	Education	The SEEMIS group, provider of the Council's Education Management Information System, recently reviewed their long term financial plan and refreshed it to cover the period 2021/22 to 2025/26. As a result of this exercise there were implications on Membership fees with a cost pressure on the Education service arising from financial year 2023/24. Indicative membership fees were provided for financial years 2021/22 to 2022/23 and these have been factored in accordingly.	0	5	7	10	10	0	5	7	10	10	0	5	7	10	10
Executive Director - Douglas Hendry	Education	Removal of 10p charge for milk in Primary Schools from August 2021. Council agreed to remove this charge from August 2021 to promote the implementation of the Healthy Eating in Schools Regulations and the roll out of free school meal to all Primary pupils by August 2022.	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Executive Director - Douglas Hendry	Education	The existing cashless catering solution in 9 x secondary schools requires upgrading or replacing as a result of hardware obsolescence and software reaching end of life and contract end in Jan 2022. This solution is a red risk on the ICT GAMP and is no longer PSN or Cyberessentials Plus compliant. Local authorities across the UK have rapidly transformed their cashless catering and payment solutions during the pandemic to reflect the trends for online payments, pre-order self service, and deliver a safer, more efficient service. These trends are reflected in the supplier marketplace with new solutions now available for online self service payments and school meal selection with market leaders providing end to end solutions handling all school fund types in one integrated income management solution. This will reduce cash handling and allow school catering to prepare meals to order.	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Executive Director - Douglas Hendry	Legal and Regulatory Services	Estimated cost (to be borne by the Council) of carrying out local Government elections in May 2022 (and in financial year 2022/23). Operating approx. 100 polling stations and carrying out poll and count for 11 Multi member wards – requiring 11 separate counts	350	0	0	0	0	350	0	0	0	0	350	0	0	0	0

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Executive Director - Douglas Hendry	Procurement	In February 2019 the Council agreed a £250k procurement policy saving to be delivered through an increased focus on contract and demand management. This saving was dependent on the number and type of contracts being tendered for which have the potential to achieve revenue savings through the procurement process. It has proved harder to achieve than was first anticipated and this saving has been removed. As this saving had already been built into future budgets a cost pressure is required to reverse it.	250	250	250	250	250	250	250	250	250	250	250	250	250	250	
Executive Director - Kirsty Flanagan	HR	Costs for a project team for a new HR system & Backfill. This is a total new system build.	0	150	0	0	0	0	200	0	0	0	0	250	0	0	
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	0	91	98	116	169	0	91	98	116	169	0
Executive Director - Kirsty Flanagan	Waste	Achieving compliance with ban on biodegradable municipal waste in 2025. This is the estimated revenue costs from potential scenarios, remaining in or coming out of the current waste PPP contract. Coming out of the Waste PPP contract would create an additional one-off cost. There are also capital cost implications that are not included within these estimates. Due to the complexity of the model, estimates are subject to change.	0	0	200	800	800	0	400	1,600	1,150	0	0	875	3,500	1,500	
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.	0	50	0	50	0	0	50	0	50	0	0	50	0	50	0
Executive Director - Kirsty Flanagan	Housing	Rightsize budget for House Loans which is a historic budget which has simply been rolled forward year on year	19	19	19	19	19	19	19	19	19	19	19	19	19	19	
Executive Director - Kirsty Flanagan	Parking	Loss in income at Glen Loin Car park, Arrochar due to end of lease and responsibility for car park returning to owners, Luss Estates	15	15	15	15	15	15	15	15	15	15	15	15	15	15	
Executive Director - Kirsty Flanagan	IT	Increased bandwidth for schools to allow digital transformation to support the move to online learning	19	19	19	19	19	19	19	19	19	19	19	19	19	19	
Executive Director - Kirsty Flanagan	Housing	Temporary Accommodation for the homeless has had a history of demand led overspending. The budget is in need of rightsizing. Costs include property maintenance, maintenance and replacement of furniture, property rental costs less benefit payments and the cost of voids which would include Council Tax and utilities and loss of benefit payments.	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Council Wide	Council Wide	Rightsize budget for Apprenticeship Levy which is a historic budget which has simply rolled forward year on year. Apprenticeship Levy is charged at a rate of 0.5% of an employer's payroll but the budget has not been increased in line with salary budget increases	56	57	58	59	60	62	63	64	65	66	67	69	71	73	75
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	0	0	0	0	0	125	375	625	875	1,125	250	750	1,250	1,750	2,250
TOTAL			997	900	961	1,906	1,728	1,128	1,331	1,867	3,595	3,217	1,258	1,762	3,044	6,616	4,939