COUNCIL COST AND DEMAND PRESSURES 2027-28 TO 2031-32 **APPENDIX 2**

			Best Case					Mid-Range					Worst Case				
Department	**Service**	**Cost/Demand Pressure**	**2027-28 £000**	**2028-29 £000**	**2029-30 £000**	**2030-31 £000**	**2031-32 £000**	**2027-28 £000**	**2028-29 £000**	**2029-30 £000**	**2030-31 £000**	**2031-32 £000**	**2027-28 £000**	**2028-29 £000**	**2029-30 £000**	**2030-31 £000**	**2031-32 £000**
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 which manifests often in dysregulated behaviours. 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 continue as we see the long-term impact of the Covid 19 pandemic on children and young people who were born from 2020 onwards and as we work with partners to streamline assessment processes which help us to understand need more thoroughly. 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.	214	435	648	896	1,137	214	435	648	896	1,137	214	435	648	896	1,137
Executive Director - Douglas Hendry	Education	The Education ICT Network required transformative technology upgrade, with improved security and reconfiguration to support in-school and at home learning, was approved as part of the budget for 2025-26. However, the recommended cost plan included additional revenue consequences from 2027-28, estimated at £53k per annum, in respect of network equipment licencing costs.	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
Executive Director - Douglas Hendry	Education	Following an increase of 12 pupils staying at Dunoon Hostel, the service require an additional 40 hours staffing to ensure compliance with staff/pupil ratio. Glencruitten Hostel requires an additional waking night 32 hour post to ensure adequate staff cover.	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Executive Director - Douglas Hendry	Legal and Regulatory Support	An earmarked reserve that funded a Welfare Rights Assistant Post was removed to the general fund to be replaced with a recurring cost pressure. This cost pressure will secure long term funding for this post.	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Executive Director - Douglas Hendry	Legal and Regulatory Support	Estimated cost (to be borne by the Council) of carrying out local Government elections in May 2027 (and in financial year 2027/28). Operating approx. 100 polling stations and carrying out poll and count for 11 Multi member wards – requiring 11 separate counts	327	0	0	0	0	350	0	0	0	0	370	0	0	0	0
Executive Director - Douglas Hendry	Legal and Regulatory Support	As agreed by Council on 24th June 2026, the number of Area Committee meetings will increase to 6 meetings per year at a cost of £45k per annum.	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Executive Director - Kirsty Flanagan	Financial Services	Universal Credit "Full" Service went live in September 2018, with managed migration for working age claimants commencing in August 2023. The migration of all working age Housing Benefit claimants to Universal Credit was completed in March 2026. The Council now retains responsibility for pension age Housing Benefit; however, the Department for Work and Pensions (DWP) is currently reviewing the future of this cohort. At this stage, there is no confirmed policy direction or timetable for any further migration or change. The transfer of working age cases has reduced the Housing Benefit Administration Subsidy received by the Council as claimants move onto Universal Credit administered by the DWP. While caseloads have reduced following the completion of migration, the longer-term position remains uncertain pending clarity from DWP on pension age Housing Benefit. These figures represent best estimates based on current information.	40	80	120	120	120	40	80	120	160	160	40	80	120	160	160
Executive Director - Kirsty Flanagan	Financial Services	The Council has undertaken a Request for Market Information in relation to the Revenues and Benefits Management System and the Electronic Document Management System. The outcome indicated that the best value option was likely to be entering into detailed discussions with the incumbent supplier, Civica, regarding a new contractual arrangement. Commercial discussions are ongoing and have identified a number of contract options which are currently being evaluated. The current cost pressure of £63k remains an estimate based on the information available when the budget outlook was prepared and may require revision as negotiations progress and the final contractual arrangements are confirmed. Work is also being undertaken to review existing budget provision across Revenues and Benefits and assess the net financial impact of the available options. A further update will be provided once the commercial position has been clarified and the funding implications fully assessed.	37	37	37	37	37	63	63	63	63	63	137	137	137	137	137
Executive Director - Kirsty Flanagan	ICT	Microsoft 365 License Costs. An earmarked reserve, set up to contribute towards the licensing and set-up costs for the Microsoft 365 rollout, is projected to be fully depleted during 2026-27, with an estimated budget pressure of £30k in 2026-27, increasing to £380k in 2027-28. These estimates are subject to change, should licence upgrades be required for Power BI or Teams Telephony.	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350

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Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Income from Piers and Harbours must be spent on providing the service and maintaining those assets, therefore, the Council must ring-fence any surplus from relevant income to be used within piers and harbours, as detailed in The Harbours Act 1964, which is currently unbudgeted for.	361	284	205	205	205	361	284	205	205	205	361	284	205	205	205
Executive Director - Kirsty Flanagan	Roads & Infrastructure Services	Relates to compliance with the biodegradable municipal waste (BMW) ban on mainland sites in addition to continuing land filling on the island sites until the full ban comes into place on 1 January 2028. The cost pressure also takes into consideration the contract changes required following the end of the PPP agreement in September 2026.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Wide	Council Wide	A letter from the Dunbartonshire and Argyll and Bute Valuation Joint Board was received on 30 January 2025 advising of the financial challenges facing the Board and the estimated 2025-26 to 2027-28 budget gaps along with a request to increase the level of contribution that we make to the Board. Since 2012-13 the core constituent funding to the Board has either reduced or been flat cash for the past 7 years with the Board heavily reliant on reserves. As the reserves were fully depleted in 2025-26 there is a requirement for the requisitions to increase.	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46
Executive Director - Kirsty Flanagan	ICT	The Council's Wi-fi network is based on a subscription licensing model from CISCO. Our current subscription was paid from excess capital and revenue but expires in January 2027 and will need renewed at an extra cost. This will cover a three year subscription.	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	250	500	750	1,000	1,250	500	1,000	1,500	2,000	2,500	1,000	2,000	3,000	4,000	5,000
TOTAL			**1,889**	**1,996**	**2,420**	**2,918**	**3,409**	**2,188**	**2,522**	**3,196**	**3,984**	**4,725**	**2,782**	**3,596**	**4,770**	**6,058**	**7,299**