

APPENDIX E

Additional Costs Analysis 2016-17 to 2019-20

Estimated Additional Costs	Note	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Pay Awards (inflation and increments)	1	1,053	1,053	1,053	1,053
Pension	2	183	0	0	0
National Insurance Changes	3	1,000	0	0	0
Contract Costs	4	665	413	533	533
Capital Financing Costs	5	1,164	900	900	900
Adult Social Care					
- Care Package costs	6	2,300	2,300	2,300	2,300
- Impact of the National Living Wage	7	1,800	1,800	1,800	1,800
- Increased burdens arising from the Care Act 2015	8	1,088	204	13	564
		9,253	6,670	6,599	7,150

Notes

1. Pay awards have been estimated at 1% per annum
2. Employers pension increase estimated at 0.5% for 2016-17, then no further increase required up to 2019-20
3. The government have ended the National Insurance discount rates that employers paid for staff members
4. Contract inflation includes provision for the Highways PFI contract at RPIX and the Waste Contract
5. Interest costs of prudential borrowing and the minimum revenue provision which is this the minimum amount which must be charged to an authority's revenue account each year for financing of capital expenditure that was initially funded by borrowing
6. Increase in demand through increasing numbers of older people, children in transition to adult services and
7. Estimated impact of the living wage increases being introduced by government in April 2016
8. The Care Act was implemented in April 2016 and introduced additional duties for Local Authorities including national eligibility criteria, information and advice, deferred payment schemes and changes to assessment processes. This is funded by grant which is now included in the Council's Revenue Support Grant