

NON-PAY INFLATION

Appendix 2

POLICY AND RESOURCES COMMITTEE - 15 OCTOBER 2020

Service	Inflation Category	Basis of Inflation	2021-22 Inflation %	Inflation 2021-22 £000	Increase from 2020-21
Council Wide	Utilities - Electricity	Procurement Scotland have contracts in place and have agreed tariffs in line with current hence nil inflation assumed.	0.00%	0	(198)
Council Wide	Utilities - Gas	Procurement Scotland have contracts in place and have agreed tariffs in line with current hence nil inflation assumed.	0.00%	-	(9)
Council Wide	Utilities - Oil	This is a volatile area and it is difficult to predict the inflation. Figures based on Utility prices	5.00%	29	18
Council Wide	Utilities - Solid Fuel	This is a volatile area and it is difficult to predict the inflation. Figures based on utility prices. Budget to be realigned from oil hence high inflation percentage to reflect actual sum required. Actual inflation estimated @ 3%	45.00%	8	8
Council Wide	Utilities - Water	Procurement Scotland have contracts in place and have agreed tariffs in line with current hence nil inflation assumed.	0.00%	0	(10)
Council Wide	Non Domestic Rates	No NDR inflation in 2021/22 as budgets subject to savings review. 2022/23 inflated by (base 20/21 budget minus 2021/22 savings target) all multiplied by 3%	1.60%	0	(129)
Council Wide	Vehicle Fuel	Based on RPIX at July 2020	1.86%	24	(32)
Council Wide Total				61	(352)
Education	Pre-Primary Partner Provider Uplift	Inflationary increase agreed as per service choices. Budget will incrementally increase over the 2020-21 year as we fully phase in 1140 hours	3.00%	126	126
Education	Residential Schools	Scotland Excel negotiated contracts - no indications of uplift as yet so used SLW	3.00%	30	(17)
Commercial Services	Catering Purchases and Milk	10% increase predicted as a result of price volatility. Estimated 10% is based on national estimates regarding increase in food prices following EU exit.	10.00%	233	56
Legal and Regulatory Support	Community Pool Subsidies	For Atlantis Leisure element - Annual increases to payments is based on RPI (@ Sept) for preceeding year. September 2020 RPI not available yet so inflated by same amount as 2020/21 at current time.	3.00%	20	0
Legal and Regulatory Support	NPDO Schools	Actual inflation required is 2.12%. This rate has been reduced to reflect the ongoing base budget reduction of £120k to meet savings requirement.	1.35%	210	(13)
Legal and Regulatory Support	Hub Schools	Hub-DBFM Schools contracts are subject to inflation year on year. Inflation, per the contract pay mechanism, is applied to the payments only i.e. account code 44000 as the grant income is fixed for the term of the contract.	0.98%	51	0
Executive Director - Douglas Hendry - Total				670	152
Head of Customer Support Services	ICT	Inflationary increases re renewals for support and maintenance of hardware and software	15.00%	74	6
Fleet	School and Public Transport Contract Fuel Uplifts	Inflation to fuel element of transport contracts based on projected fuel price increases. Only the fuel element of the contracts would be affected by this uplift.		50	0
Roads and Infrastructure	Landfill Tax	Based on RPIX movement in year as at July 2020	1.86%	59	(36)
Roads and Infrastructure	Waste PPP Contract	85% of RPIX as at July 2020	1.58%	93	(42)
Roads and Infrastructure	Street Lighting Electricity	Based on RPIX movement in year as at July 2020. Requires to be inflated in line with funding model for LED replacement	1.86%	9	(6)
Executive Director - Kirsty Flanagan - Total				285	(78)
				1,016	(278)