

MEDIUM TERM FINANCIAL PLAN

Financial Model

Key assumptions are as follow:

Heading:	Description (20/21 to 24/25):
Scottish Government General Revenue Funding (including Non-Domestic Rates)	Previous – reduction per annum of 3%, 2%, 1%, 1% Update (Feb 2020) – reduction per annum of 0%, 2%, 1%, 1%, 1%
Taxation, Council Tax Rate	Previous – increase per annum 3% Update (Feb 20202) – increase per annum of 3% (20/21), thereafter 3%
Taxation, Council Tax Base	Previous – increased to reflect additional houses being built. Update (Feb 2020) – Underlying demand from new build houses, 0.65% (20/21), thereafter 0.5%; plus profile of Council house build programme, 0.15% (20/21), 1%, 0.65%, 0%,0%
Building Inflation into the Model	
- Pay	3% (20/21), thereafter 3%, 2.5% (24/25)
- Utilities	2.7% (20/21), thereafter 3%
- Contracts	1.25% (20/21), thereafter 1.25%
- ALEOs	3% (20/21), thereafter 3%, 2.5% (24/25)
- Capital Financing	11% (20/21), 19%, 9%, 0%, 0%
Building Demand into the Model	
- Population, schools	Increase in 0-15 by 2026 = 10.6%
- Population, +75 years	Increase in 75+ by 2026 = 15.5%
- Population, SG Grant	Proportionate reduction compared to other councils = reduction of 0.5%, dampened by impact population has on SG grant (23%)
- Population, ASN	Increase c. 2% on ASN staffing per annum
- Population, Disabilities	Increase c. 2% on Disability commissioned spend per annum
- LDP, schools	No increase in 20/21, future years impact
- Households, Waste	Zero waste plan costs
- Households, Roads	Increased road length and de-trunking of A90
- Legislation, NDR	Financial Memorandum estimates, Valuation Joint Board
- Legislation, Carers	Per IJB plans
- Ring-fenced Grants	Culture grants for Duthie Park ends 19/20
- National Policy, ELC expansion	Uplift to reflect profiled spend, matched by grant funding in 20/21; thereafter forecast reduction in funding based on review of distribution methodology and mainstreaming