

Housing Scrutiny Committee

8 October 2015

Capital Programming Scrutiny Review

Witness Evidence: Inflation Comparison

Set out below is a comparison between the annual indexation the Council has been paying to its capital works contractors throughout the duration of the current contracts, and what the Building Costs Information Services (BCIS) Tender Price Index (TPI) shows for the same period.

The BCIS TPI is produced for the Department for Business, Innovation and Skills and enables building cost inflation to be measured on a regional basis.

The below information indicates that if the council was to tender on annual or more frequent basis then it would not achieve the same value for money as was achieved by carrying out the large scale tendering exercise in 2010.

	Capital Works Contracts - RPI-linked Annual Indexation	BCIS Regional TPI London
Year 1 (Oct-11)	5.59	22.9
Year 2 (Oct-12)	8.24	14.3
Year 3 (Oct-13)	11.81	21.9
Year 4 (Oct-14)	14.34	37.5

