

ANGUS COUNCIL

EDUCATION COMMITTEE

27 AUGUST 2002

SUBJECT: HOME TO SCHOOL TRANSPORT: REVIEW OF CONTRACT PRICES

JOINT REPORT BY THE DIRECTOR OF PLANNING AND TRANSPORT AND THE DIRECTOR OF EDUCATION

Abstract: This report recommends a contract price increase of 2.25% to be effective from 1 July 2002.

1 RECOMMENDATION

It is recommended that the Committee:-

- Approve the award of a 2.25% contract price increase, for eligible contracts, effective from 1 July 2002.

2 INTRODUCTION

2.1 Contract prices for home to school transport services are reviewed on an annual basis. The review is undertaken on 1 July each year and is based on the indexed price movements detailed in Tables 18.2 and 18.11 of the Central Statistical Office's Monthly Digest of Statistics. The weightings used are as follows:-

Table	Factor	Weighting
18.2	General Index of Retail Prices – Motoring Expenditure	40%
18.11	Average Earnings Index – Transport and Communications	60%

2.2 The actual calculation of the annual percentage increase due is based on yearly comparisons of monthly figures, with the individual monthly comparisons averaged to produce the annual percentage increase. The annual change applies to all current contracts, of more than 17 months duration, entered into prior to 1 January preceding the review. The calculation used allows operators to be advised of the new contract rates within two months.

3 CONTRACT PRICE INCREASE

3.1 Using the above formula, the annual increase in contract prices effective from 1 July 2002 is 2.25%. This will apply to all contracts/agreements (of more than 17 months' duration) entered into prior to 1 January 2002 which continued to operate after 1 July 2002.

4 FINANCIAL IMPLICATIONS

- 4.1 The application of these increases will produce an additional estimated expenditure on contracts for 2002/2003 of £60,000. The revised projected total net expenditure on home to school transport services for 2002/2003 is estimated as £1,759,000.
- 4.2 The current provision in the Education Department budget is £1,699,000. The balance of £60,000 can be contained within the Education Department's 2002 -2003 Revenue Budget.

5 HUMAN RIGHTS

- 5.1 There are no Human Rights implications arising from this report.

6 CONSULTATION

- 6.1 The Chief Executive, Director of Law & Administration and the Director of Finance have been consulted in the preparation of this report.

7 CONCLUSION

- 7.1 The report details the basis for calculating the annual review of contract price changes for all local bus service contracts and recommends a 2.25% increase for 2002/2003.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

AA/LEM
25 July 2002

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