

ANGUS COUNCIL

PLANNING AND TRANSPORT POLICY COMMITTEE

29 AUGUST 2002

SUBJECT: LOCAL BUS SERVICES  
REVIEW OF CONTRACT PRICES

REPORT BY DIRECTOR OF PLANNING AND TRANSPORT

**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/agreements, effective from 1 July 2002.

**2 INTRODUCTION**

2.1 Local bus service contract prices 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/agreements for 2002/2003 of £11,200. The revised projected total net expenditure on tendered services for 2002/2003 is estimated as £432,000.
- 4.2 This increase in costs can be contained within the Planning and Transport Department's Revenue Budget for 2002/2003.

**5 HUMAN RIGHTS IMPLICATIONS**

- 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/DBB/KW  
20 August 2002

Alex Anderson  
Director of Planning and Transport