

## ANGUS COUNCIL

PLANNING AND TRANSPORT POLICY COMMITTEE

29 AUGUST 1996

### SUBJECT: LOCAL BUS SERVICES REVIEW OF CONTRACT PRICES

REPORT BY DIRECTOR OF PLANNING, TRANSPORT & ECONOMIC DEVELOPMENT

**Abstract:** This report recommends a contract price increase of 2.54% to be effective from 1 July 1996.

## 1 RECOMMENDATION

1.1 It is recommended that the Committee:-

- approve the award of a 2.54% contract price increase, for eligible contracts/agreements, effective from 1 July 1996.

## 2 INTRODUCTION

2.1 Local bus service contract prices are reviewed on an annual basis. The review is undertaken on the 1 July each year and is based on the indexed price movements detailed in Tables 18.2 and 18.10 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%
18.10	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 1996 is 2.54%. This will apply to all contracts/agreements (of more than 17 months' duration) entered into prior to 1 January 1996, which continued to operate after 1 July 1996.

#### **4 FINANCIAL IMPLICATIONS**

- 4.1 The application of these increases will produce an additional estimated expenditure on contracts/agreements for 1996/97 of £9,150. The revised projected total expenditure on tendered services for 1996/97 will thus be £331,100.
- 4.2 The Director will continue to closely monitor estimated and actual expenditure on Transport Policy Third Party payments, including tendered services, and will endeavour to contain this increase in costs within the Planning, Transport and Economic Development Department's Revenue Budget for 1996/97.

#### **5 CONSULTATION**

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

#### **6 CONCLUSION**

- 6.1 The report details the basis for calculating the annual review of contract price changes for all local bus service contracts and recommends a 2.54% increase for 1996/97.

#### **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/DB/KW  
14 August 1996

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