

Report No 823/99

ANGUS COUNCIL

PLANNING AND TRANSPORT POLICY COMMITTEE

26 AUGUST 1999

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

REPORT BY DIRECTOR OF PLANNING AND TRANSPORT

Abstract: This report recommends a contract price increase of 3.05% to be effective from 1 July 1999.

1 RECOMMENDATION

1.1 It is recommended that the Committee:-

- approve the award of a 3.05% contract price increase, for eligible contracts/agreements, effective from 1 July 1999.

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 18.11 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 1999 is 3.05%. This will apply to all contracts/agreements (of more than 17 months' duration) entered into prior to 1 January 1999, which continued to operate after 1 July 1999.

4 FINANCIAL IMPLICATIONS

- 4.1 The application of these increases will produce an additional estimated expenditure on contracts/agreements for 1999/2000 of £9,000. The revised projected total net expenditure on tendered services for 1999/2000 is estimated as £375,000.
- 4.2 This increase in costs can be contained within the Planning and Transport Department's Revenue Budget for 1999/2000.

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 3.05% increase for 1999/2000.

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/IAL
16 August 1999

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